Grupo Empresarial San José, S.A. and its subsidiaries

Auditor's report
Consolidated annual accounts as of 31 December 2024
Consolidated management report

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent auditor's report on the consolidated annual accounts

To the shareholders of Grupo Empresarial San José, S.A.

Report on the consolidated annual accounts

Opinion

We have audited the consolidated annual accounts of Grupo Empresarial San José, S.A. (the Parent company) and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, and the profit or loss account, statement of recognized income and expenses, statement of changes in equity, cash flow statement and related notes, all consolidated, for the year then ended.

In our opinion, the accompanying consolidated annual accounts present fairly, in all material respects, the equity and financial position of the Group as at 31 December 2024, as well as its financial performance and cash flows, all consolidated, for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and other provisions of the financial reporting framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with legislation governing the audit practice in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated annual accounts* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the consolidated annual accounts in Spain, in accordance with legislation governing the audit practice. In this regard, we have not rendered services other than those relating to the audit of the accounts, and situations or circumstances have not arisen that, in accordance with the provisions of the aforementioned legislation, have affected our necessary independence such that it has been compromised.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated annual accounts of the current period. These matters were addressed in the context of our audit of the consolidated annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition in construction contracts	
A significant part of the Group's net revenues come from construction contracts in which the input-based method has been considered the most appropriate method to determine the progression in the fulfillment of obligations, measuring the costs incurred with respect to the total estimated costs to complete the contract, giving rise to a portion of the degree of completion. This method requires estimates of the margin of each of these contracts, the costs pending to be incurred and the probability that income will be received in relation to amounts in the process of modification, claim or dispute of said contracts. The information related to the construction activity is broken down in note 4.11.1 of the attached consolidated financial statements. Recognition of revenue in these contracts therefore entails the use of relevant judgment by management. These estimates take into account all the costs and income related to the contracts, which are updated, among others, with additional costs to those initially budgeted, as well as income that is estimated from modifications, claims or ongoing disputes with clients. As disclosed in notes 6 and 22.1 to the consolidated financial statements, net revenues related to the construction segment amount to 1,434,719 thousand euros in fiscal year 2024. The relevance of the estimates made in the recognition of this revenue and its quantitative importance, mean that the revenue recognition in construction contracts is considered a key audit matter.	We have made an understanding of the controls established by the management of the Parent Company for the recognition of income in construction contracts. Our procedures include, among others, testing the design, implementation and operational effectiveness of certain relevant controls that mitigate the risks associated with the revenue recognition process in this type of contract. For the substantive tests, we selected a sample using quantitative and qualitative criteria based on the amount of revenue or margins recognized in the year. We also selected an additional sample for all remaining projects. For the selected projects, we have obtained the contracts for reading and understanding the most relevant clauses and their implications, carrying out the following procedures focused on the main aspects: • We have carried out an analysis of the evolution of margins with respect to variations in both sales prices and total budgeted costs. • We have recalculated the revenue resulting from the degree of progress over costs incurred in a sample of projects and compared the results with the calculation made by the Group. • In relation to the contract modifications, we have obtained evidence of the technical and economic approvals that support them. • We have verified, where applicable, whether the main obligations and risks of the selected contracts have been provisioned at the end of the financial year. We have also assessed the sufficiency of the information disclosed in the consolidated financial statements on this matter.

The result of the procedures carried out has allowed the audit objectives for which said procedures were designed to be reasonably achieved.

Other information: Consolidated management report

Other information comprises only the consolidated management report for the 2024 financial year, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the consolidated annual accounts.

Our audit opinion on the consolidated annual accounts does not cover the consolidated management report. Our responsibility regarding the consolidated management report, in accordance with legislation governing the audit practice, is to:

a) Verify only that the consolidated statement of non-financial information, certain information included in the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration, as referred to in the Auditing Act, have been provided in the manner required by applicable legislation and, if not, we are obliged to disclose that fact.

b) Evaluate and report on the consistency between the rest of the information included in the consolidated management report and the consolidated annual accounts as a result of our knowledge of the Group obtained during the audit of the aforementioned financial statements, as well as to evaluate and report on whether the content and presentation of this part of the consolidated management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have verified that the information mentioned in section a) above has been provided in the manner required by applicable legislation and that the rest of the information contained in the consolidated management report is consistent with that contained in the consolidated annual accounts for the 2024 financial year, and its content and presentation are in accordance with applicable regulations.

Responsibility of the directors and the audit committee for the consolidated annual accounts

The Parent company's directors are responsible for the preparation of the accompanying consolidated annual accounts, such that they fairly present the consolidated equity, financial position and financial performance of the Group, in accordance with IFRS-EU and other provisions of the financial reporting framework applicable to the Group in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Parent company's directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the aforementioned directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Parent company's audit committee is responsible for overseeing the process of preparation and presentation of the consolidated annual accounts.

Auditor's responsibilities for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with legislation governing the audit practice in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with legislation governing the audit practice in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent company's directors.

- Conclude on the appropriateness of the Parent company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated annual accounts, including the disclosures, and whether the consolidated annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Parent company's audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Parent company's audit committee with a statement that we have complied with ethical requirements relating to independence and we communicate with the aforementioned those matters that may reasonably be considered to threaten our independence and, where applicable, the safeguards adopted to eliminate or reduce such threat.

From the matters communicated with the Parent company's audit committee, we determine those matters that were of most significance in the audit of the consolidated annual accounts of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Grupo Empresarial San José, S.A. and its subsidiaries for the 2024 financial year that comprise an XHTML file which includes the consolidated annual accounts for the financial year and XBRL files with tagging performed by the entity, which will form part of the annual financial report.

The directors of Grupo Empresarial San José, S.A. are responsible for presenting the annual financial report for the 2024 financial year in accordance with the formatting and markup requirements established in the Delegated Regulation (EU) 2019/815 of 17 December 2018 of the European Commission (hereinafter the ESEF Regulation).

Our responsibility is to examine the digital files prepared by the Parent company's directors, in accordance with legislation governing the audit practice in Spain. This legislation requires that we plan and execute our audit procedures in order to verify whether the content of the consolidated annual accounts included in the aforementioned digital files completely agrees with that of the consolidated annual accounts that we have audited, and whether the format and markup of these accounts and of the aforementioned files has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital files examined completely agree with the audited consolidated annual accounts, and these are presented and have been marked up, in all material respects, in accordance with the requirements established in the ESEF Regulation.

Report to the audit committee of the Parent company

The opinion expressed in this report is consistent with the content of our additional report to the audit committee of the Parent company dated 27 February 2025.

Appointment period

The General Ordinary Shareholders' Meeting held on 20 April 2023 appointed us as auditors of the Group for a period of three years, as from the year ended 31 December 2023.

Services provided

Services provided to the Group for services other than the audit of the accounts are disclosed in note 22.12 to the consolidated annual accounts.

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by

Alfredo Arias Paradelo (23745)

27 February 2025

Grupo Empresarial San José, S.A. and Subsidiaries

Consolidated Financial Statements
for the year 2024 and Consolidated Management Report

Translation of a document originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails, *Translation into English of consolidate financial statements originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.*

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiairies

Consolidated balance sheet at 31 December 2024 and 2023

(Thousand of Euros)

ASSETS	Note	31-12-2024	31-12-2023	EQUITY AND LIABILITIES	Note	31-12-2024	31-12-2023
NON-CURRENT ASSETS:				**EQUITY:**			
Intangible assets	7	**13,608**	**15,480**	**Share capital**		**1,951**	**1,951**
Goodwill on consolidation	8	**9,984**	**9,984**	**Reserves**		**34,890**	**40,587**
Property, plant and equipment	9	**89,187**	**82,789**	Legal and statutory		390	390
Land and buildings		65,239	61,197	Other reserves		34,500	40,197
Plant and other equipment		23,948	21,592	**Reserves in consolidated companies**		**182,081**	**166,194**
Investment property	10	**18,054**	**11,682**	**Translation differences**		**(34,280)**	**(47,026)**
Investments in associates and joint ventures	11	**49,652**	**22,841**	**Equity-Valuation adjustments**		**551**	**(268)**
Long-term investments	13.4	**24,889**	**19,520**	**Profit for the year attributable to the parent company**		**33,023**	**19,944**
Equity instruments		14,075	7,175	**Equity attributable to Parent shareholders**		**218,216**	**181,382**
Loans to third parties		10,306	11,659	**Minority interests**		**34,485**	**35,536**
Other financial assets		508	686	**TOTAL EQUITY**	14	**252,701**	**216,918**
Deferred tax assets	20	**18,943**	**18,392**				
TOTAL NON-CURRENT ASSETS		**224,317**	**180,688**	**NON-CURRENT LIABILITIES:**			
				Long-term provisions	15	**45,054**	**39,727**
				Long-term debt	16	**102,837**	**100,876**
				Bank loans and overdrafts		3,241	2,672
				Other financial liabilities		99,596	98,204
				Deferred tax liabilities	20	**17,083**	**12,250**
				Long-term advances		**775**	**751**
				TOTAL NON-CURRENT LIABILITIES		**165,749**	**153,604**
				CURRENT LIABILITIES:			
				Short-term provisions	15	**31,195**	**29,231**
CURRENT ASSETS:				**Current bank borrowings**	16 & 17	**13,325**	**13,539**
Inventories	12	**87,790**	**77,489**	Bank loans and overdrafts		7,371	8,728
Trade and other receivables		**498,743**	**463,369**	Other financial liabilities		5,954	4,811
Trade receivables for sales and services	13.1	462,072	426,629	**Payable to related companies**	23	**1,200**	**1,592**
Related companies receivables	23	1,037	748	**Trade and other payables**		**833,863**	**713,970**
Sundry accounts receivable		7,504	5,995	Trade payables	18.1	621,745	563,592
Public administrations	20	28,130	29,997	Sundry creditors	18.1	3,049	2,357
Investments in associates and joint ventures	23	**3,519**	**2,071**	Staff, remuneration payable		12,708	9,828
Short-term investments	13.3 & 17	**6,079**	**2,848**	Tax payables	20	26,460	17,620
Short-term accruals		**2,540**	**3,251**	Advances from customers	13.1 & 18.2	169,901	120,573
Cash and cash equivalents	13.2	**481,106**	**406,764**	**Short-term accruals**		**6,061**	**7,626**
TOTAL CURRENT ASSETS		**1,079,777**	**955,792**	**TOTAL CURRENT LIABILITIES**		**885,644**	**765,958**
TOTAL ASSETS		**1,304,094**	**1,136,480**	**TOTAL EQUITY AND LIABILITIES**		**1,304,094**	**1,136,480**

Accompanying notes 1 to 26, as well as the Appendix I, II and III, are part of the Consolidated Balance Sheet as 31 December 2024.

Translation into English of consolidate financial statements originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiairies

Consolidated income statement for years 2024 and 2023

(Thousand of Euros)

	Note	Year 2024	Year 2023
CONTINUING OPERATIONS			
Revenue	22.1	**1,557,766**	**1,335,835**
Change in inventories of finished goods and work	22.10	**(2,455)**	**(1,746)**
Work performed by the Group for its property, plant and equipment	7 & 9	**196**	**1,332**
Procurements	22.2	**(1,161,953)**	**(977,423)**
Cost of raw materials and other consumables used		(284,829)	(251,973)
Works performed by other companies		(876,353)	(725,106)
Impairment of goods held for resale, raw materials and other supplies	12.6	(771)	(344)
Other operating income	22.1	**8,077**	**10,811**
Non-core and other current income		7,948	10,688
Operating grants taking to income		129	123
Staff costs	22.3	**(195,012)**	**(173,729)**
Wages and salaries		(149,012)	(133,130)
Social charges		(46,000)	(40,599)
Other operating expenses	22.2	**(143,200)**	**(143,881)**
Outside services		(123,229)	(121,183)
Tributes		(7,270)	(6,764)
Impairment losses and changes in provisions for trade		(9,555)	(9,760)
Other operating expenses		(3,146)	(6,174)
Depreciation and amortisation charge	7, 9 & 10	**(14,134)**	**(11,837)**
Impairment and gains or losses on disposal of non-current assets	22.9	**(692)**	**(534)**
PROFIT FROM OPERATIONS		**48,593**	**38,828**
Finance income	22.7	**16,613**	**12,525**
On group companies and associates equity shares		72	55
Other financial instruments		16,541	12,470
Finance costs	22.8	**(6,877)**	**(6,986)**
On debts to third parties		(6,877)	(6,986)
Change in fair value of financial instruments		**(30)**	**(179)**
Exchange differences		**(5,699)**	**(1,695)**
Adjustment for inflation in hyperinflationary economies	2.3	**(45)**	**(2,585)**
Impairment and gains or losses on disposal of financial instruments	22.11	**(4,447)**	**(7,410)**
FINANCIAL PROFIT		**(485)**	**(6,330)**
Profit/(Loss) of companies accounted for using the equity method	11	**(604)**	**(643)**
PROFIT/ (LOSS) BEFORE TAXES		**47,504**	**31,855**
Income Tax	20	(15,107)	(10,443)
PROFIT/ (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**32,397**	**21,412**
PROFIT / (LOSS) ATTRIBUTABLE TO EXTERNAL PARTNERS		**(626)**	**1,468**
PROFIT / (LOSS) FOR THE YEAR		**33,023**	**19,944**

PROFIT PER SHARE: (Note 5)			
Basic		**0.51**	**0.31**
Diluted		**0.51**	**0.31**

Accompanying notes 1 to 26 to the Annual Report and Appendix I, II and III form an integral part of the Consolidated Income Statement of year 2024.

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF RECOGNIZED INCOME AND EXPENSES FOR YEARS 2024 AND 2023

(Thousand of Euros)

	Note	Year 2024	Year 2023
A) CONSOLIDATED PROFITS / (LOSSES) OF THE YEAR		**32,397**	**21,412**
B) ITEMS NOT RECLASSIFIABLE TO PROFIT OR LOSS FOR THE YEAR		**-**	**-**
C) ITEMS RECLASSIFIABLE TO PROFIT OR LOSS FOR THE YEAR		**13,224**	**(4,588)**
Income and expenses recognised directly in equity		**12,880**	**(4,745)**
-For cash flow hedges	17	616	(735)
-Translation differences		11,403	(5,166)
-Equity method accounted companies		1,015	873
-Other		(21)	133
-Tax effect		(133)	150
Transfer to income statement		**344**	**157**
-For cash flow hedges		586	294
-Translation differences	17	-	-
-Equity method accounted companies		-	-
-Other		(127)	(86)
-Tax effect		(115)	(51)
TOTAL RECOGNISED INCOMES / (EXPENSES)		**45,621**	**16,824**
a) Attributable to Parent		46,588	13,449
b) Attributable to minority interests		(967)	3,375

Accompanying notes 1 to 26 to the Annual Report and Appendix I, II and III form an integral part of the Consolidated Statement of Recognized Income and Expenses for year 2024.

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEARS 2024 AND 2023

(Thousand of Euros)

	Note	Share Capital	Legal Reserve	Other reserves of the parent	Consolidated Reserves: In consolidated companies	Consolidated Reserves: In associated companies	Translation differences	Equity Adjustments	Profit of the year	Total Equitty attributable to parent	Minority interests	Total Equity
Balance at December 31, 2022		**1,951**	**390**	**41,140**	**164,491**	**(9,350)**	**(40,823)**	**24**	**16,613**	**174,436**	**32,117**	**206,553**
Distribution of profit for year 2022:												
-To reserves		-	-	5,560	11,619	(566)	-	-	(16,613)	**-**	-	**-**
-Dividend payment		-	-	-	-	-	-	-	-	**-**	(18)	**(18)**
Other equity movements	14.4	-	-	(6,503)	-	-	-	-	-	**(6,503)**	62	**(6,441)**
Total recognized income/expenses year 2023		-	-	-	-	-	(6,203)	(292)	19,944	**13,449**	3,375	**16,824**
Balance at December 31, 2023		**1,951**	**390**	**40,197**	**176,110**	**(9,916)**	**(47,026)**	**(268)**	**19,944**	**181,382**	**35,536**	**216,918**
Distribution of profit for year 2023:												
-To reserves		-	-	4,057	16,530	(643)	-	-	(19,944)	**-**	-	**-**
-Dividend payment		-	-	-	-	-	-	-	-	**-**	(84)	**(84)**
Other equity movements	14.4	-	-	(9,754)	2,768	(2,768)	-	-	-	**(9,754)**	-	**(9,754)**
Total recognized income/expenses year 2024		-	-	-	-	-	12,746	819	33,023	**46,588**	(967)	**45,621**
Balance at December 31, 2024		**1,951**	**390**	**34,500**	**195,408**	**(13,327)**	**(34,280)**	**551**	**33,023**	**218,216**	**34,485**	**252,701**

Accompanying notes 1 to 26 to the Annual Report and Appendix I, II and III form an integral part of the Consolidated Statement of Changes in Equity for year 2024.

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiairies

CONSOLIDATED CASH FLOW STATEMENT FOR YEAR 2024 AND 2023

(Thousand of Euros)

	Note	Year 2024	Year 2023
Cash flows from operating activities:			
(+) Profit (Loss) before tax		47,504	31,855
(+) Depreciation and amortisation charge	7, 9 & 10	14,134	11,837
(+/-) Changes in operating allowances		12,297	7,376
(-) Imputation of subsidies for the year		(129)	(123)
(-) Financial income	22.7	(16,613)	(12,525)
(+) Financial costs	22.8	6,877	6,986
(+/-) Exchange differences		5,744	4,280
(+/-) Result of changes in value of financial instruments		30	179
(+/-) Result of companies accounted for using the equity method		604	643
(+/-) Result of property, plant and equipment		692	534
(+/-) Impairment and gains or losses on disposals of financial investments	22.11	4,447	7,410
(+/-) Other gains or losses		(8,579)	(2,501)
Total Cash Flows from operating activities		**67,008**	**55,951**
Variation in working capital:			
Operating working capital assets			
a) (Increase)/Decrease in inventories		(988)	4,550
b) (Increase)/Decrease in debtors and other receivables		(151)	(57,593)
c) (Increase)/Decrease in other current non financial assts		-	-
Operating working capital liabilities			
a) (Increase)/Decrease in trade payables		59,352	122,190
b) (Increase)/Decrease in other current non financial liabilities		-	-
Other operating cash flows:			
(-) Income tax paid in the year		655	(15,743)
(+/-) Other collections / (payments) due to operating activities		(3,471)	(5,974)
1. TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES		**122,405**	**103,381**
Investments:			
(-) Intangible assets		(293)	(228)
(-) Property, plant and equipment and investment property		(5,656)	(5,284)
(-) Shares and other financial assets		(36,421)	(3,493)
Total Investments		**(42,370)**	**(9,005)**
Dividends received		**3,064**	**55**
Disposals:			
(+) Intangible assets		735	1,012
(+) Property, plant and equipment		418	204
(+) Shares and other financial assets		1,193	2,577
Total Disposals		**2,346**	**3,793**
Financial interests received		**15,612**	**13,342**
Other collections / (payments) due to financing activities		**(9,071)**	**14,226**
2. TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES		**(30,419)**	**22,411**
Other collections / (payments) due to treasury share transactions		**-**	**62**
Dividends paid	14. 4	**(9,838)**	**(6,521)**
Increase / (decrease) in financial borrowings		**(1,303)**	**(2,613)**
Non current		1,690	(514)
Current		(2,993)	(2,099)
Financial interests paid		**(4,383)**	**(9,104)**
Other collections / (payments) due to financial activities		**-**	**-**
3. TOTAL NET CASH FLOWS FROM FINANCIAL ACTIVITIES		**(15,524)**	**(18,176)**
4. TOTAL NET CASH FLOWS FROM FINANCIAL ACTIVITIES		**(2,120)**	**(7,857)**
TOTAL CASH FLOWS FOR THE YEAR		**74,342**	**99,759**

CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**406,764**	**307,005**
Changes in the year		74,342	99,759
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		**481,106**	**406,764**

Acompanying notes 1 to 26 to the Annual Report and Appendix I, II and III form an integral part of

the Consolidated Cash Flow Statement for year 2024

Grupo Empresarial San José, S.A. and Subsidiaries

Consolidated Report for the year ended 31 December 2024

1. Activities of the group

a) Incorporation

Grupo Empresarial San Jose, S.A. (hereinafter "the Parent") was incorporated on 18 August 1987 for an unlimited period of time by virtue of a public deed executed in Pontevedra in the presence of Pontevedra notary, Rafael Sanmartin Losada, under number 1539 of his protocol.

At the Ordinary and Extraordinary General Shareholders Meeting of the Company held on 17 June 2008, it was agreed to change the corporate name into that of "Grupo Empresarial San Jose S.A.", which was duly formalised by means of a public deed dated 17 July 2009.

The Parent is registered in the Mercantile Register of Pontevedra on sheet 88 of the Companies book 586, entry no. 1 on page no. 8119. It holds VAI identification numbers A-36.046.993.

Registered office is located in Pontevedra, at 44, Rosalia de Castro St.

As of 20 July 2009, "Grupo Empresarial San Jose, S.A." was listed on the Spanish Stock Exchange Market.

b) Legal framework

The Company is governed by its by-Laws, the Commercial Code, the Spanish Companies Law and other legislation applicable to companies of this type.

c) Activities

The activities carried on by the Parent and its Subsidiaries (hereinafter Grupo San Jose) are classified into the following business units:

1. Development of all forms of real estate construction.
2. Performance of all manner of public or private construction work, mainly buildings, road networks and hydraulic works.
3. Purchase and sale, administration, operation and any other similar activities in relation to all manner of rural or urban property.
4. Lease of all manner of assets.
5. Design, construction and management of electricity and renewable energy facilities.
6. Storage, distribution, purchase and sale and import of manufactured products.
7. Management and recruitment of personnel for all types of company, association and organisation.
8. Study, design, development and purchase and sale of all manner of electronic, computer, telecommunications and audiovisual components, products and systems.
9. Full maintenance of hospital facilities, maintenance of operating theatres and electro medical equipment, and manufacture and sale of integrated systems for operating theatres, ICUs and patient rooms.
10. Study, design and installation of air conditioning, heating, industrial cooling and plumbing facilities; purchase and sale or manufacture of all kinds of related mechanisms; to sell and act as representative for third-party products.
11. Healthcare: construction of hospital facilities and public and prívate healthcare maintenance services; electro medicine and gas facilities and maintenance.

12. Facilities and services: integral installation work, electrical, mechanical and hydraulic installation work, turnkey projects and special installation work, as well as the maintenance of all manner of other facilities not related to the healthcare industry such as industrial facilities, other properties, etc.

13. Infrastructure and transport: performance of infrastructure and transport studies, projects and installation work, including those relating to airports, ports, railways and other types of transport infrastructure.

14. Energy and environment: performance of studies and projects focused on the production and sale of energy and industrial maintenance, waste water treatment, installation of water treatment plants and other environmental activities.

Under no circumstances shall the company object be deemed to include activities the performance of which requires any type of administrative authorisation which the Company does not hold.

Also, the Parent may subscribe to, purchase or acquire by any other means shares and/or other equity interests in other public and private limited companies, even if their company object differs from that of Grupo Empresarial San Jose, S.A., and may form new public or private limited companies with other legal entities or individuals, whatever valid purpose or activity the newly formed companies may have.

Furthermore, Grupo Empresarial San Jose, S.A. is the Parent of the San Jose Group. Its main object is the management and control of all the business activities performed by the companies in which it has a material and lasting ownership interest.

Grupo Empresarial San José, S.A. has its registered office and fiscal address in Pontevedra, at 44, Rosalía de Castro St., and its headquarters in Tres Cantos (Madrid), at 11, Ronda de Poniente St.

The San Jose Group's activities are led by Grupo Empresarial San Jose, S.A. (a holding and real estate company), which in turns mainly participates in: Constructora San Jose, S.A. (construction), San Jose Consesiones y Servicios, S.A.U. (maintenance services), San Jose Energia y Medio Ambiente, S.A. (energy), and Desarrollos Urbansticos Udra, S.A.U. (urban development).

The specific lines of business of each subsidiary, jointly controlled entity and associate are disclosed in Annexes I, II and III.

2. Basis of presentation of the consolidated financial statements and basis of consolidation

2.1 Regulatory framework and accounting principles

These consolidated financial statements for 2024 of Grupo Empresarial San Jose, S.A. and Subsidiaries ("Grupo San Jose " or "the Group") are formally prepared by the Parent's directors, in accordance with International Financial Reporting Standards as adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council ("EU-IFRSs"), taking into account all the mandatory accounting principles and rules and measurement bases in IFRSs, and, accordingly, they present fairly the Grupo San Jose's consolidated equity and financial position at 31 December 2024 and the results of its operations, the changes in consolidated equity and the consolidated cash flows in the year then ended.

Grupo SANJOSE's consolidated financial statements were prepared from the accounting records of the Company and of the other consolidated Group entities. Each company prepares its individual financial statements in accordance with the accounting principles and rules in force in the country in which it operates and, accordingly, the required adjustments and reclassifications were made on consolidation to unify the policies used and to make them compliant with EU-IFRSs.

The consolidated financial statements of Grupo SANJOSE and Subsidiaries for 2023, prepared in accordance with EU-IFRSs, were approved by the shareholders at the Annual General Meeting of Grupo Empresarial San Joes, S.A. held on 18 April 2024. Further, 2024 consolidated financial statements of the Group and the individual financial statements of the Group companies for the year have not yet been approved by the shareholders at the respective Annual General Meetings. However, the Parent's directors consider that the aforementioned consolidated financial statements will be approved without any changes.

Standards and interpretations applicable for the year

The standards and interpretations adopted by the European Union which, where applicable, have been used by the Group in the preparation of these consolidated financial statements at 31 December 2024 are set out below:

New standards, amendments and interpretations of mandatory application:

Approved for use in the European Union		**Compulsory application for financial years starting from**:
Amendments and/or interpretations		
Amendment to IFRS 16. Lease liability on a sale and leaseback.	IFRS 16 includes requirements on how to account for a sale and leaseback on the date the transaction is carried out. However, it did not specify how to record the transaction after that date. This amendment explains how a company should account for a sale and leaseback after the date of the transaction.	1 January 2024
Amendment to IAS 1. Classification of liabilities as current or non-current.	The amendments adopted simultaneously by the European Union clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the reporting period. The entity or events after the reporting period (for example, the receipt of a waiver or a breach of the agreement). The amendment also clarifies what IAS 1 means when it refers to the ‘settlement’ of a liability.	1 January 2024
Amendment to IAS 1. Non-current liabilities with conditions (“covenants”)	The modification aims to improve the information provided when the right to defer payment of a liability is subject to the fulfillment of conditions ('covenants') within twelve months after the reporting period. This modification is effective for periods beginning on or after January 1, 2024, and is applied retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors.'	1 January 2024
IAS 7 and IFRS 7 (Amendment) Supplier financing agreements (“confirming”).	The IASB has published IAS 7 and IFRS 7 to improve disclosures about supplier financing arrangements (‘confirming’) and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendment responds to investor concerns that some companies' supplier financing arrangements are not sufficiently visible.	1 January2024

The entry into force of these standards and interpretations has not had a significant impact on these consolidated financial statements.

Non applicable issued standards and interpretations

As of the date of issue of these consolidated financial statements, the following standards had been published by the IASB, yet their application was not compulsory either because they had not been adopted by the EU.:

Non-adopted for use within the EU		**Compulsory application as from:**
Amendments and/or interpretations		
IFRS 10 (Amendment) and IAS 28 (Amendment) ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’	These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures, which will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a “business”. The investor recognises the full gain or loss when the non-monetary assets constitute a ‘business’. If the assets do not meet the definition of a business, the investor recognises the gain or loss to the extent of the interests of other investors. The amendments will only apply when an investor sells or contributes assets to its associate or joint venture.	01 January 2026
IAS 21 (Amendment) “Falta de intercambiabilidad	The IASB has amended IAS 21 to add requirements to help entities determine whether a currency is exchangeable for another currency and the spot exchange	01 January 2025

	rate to be used when it is not. When a currency cannot be exchanged for another currency, it is necessary to estimate the spot exchange rate on a measurement date in order to determine the rate at which an orderly exchange transaction would be carried out on that date between market participants under prevailing economic conditions. When an entity first applies the new requirements, it is not permitted to restate comparative information. Instead, the amounts concerned are required to be translated at spot exchange rates estimated as at the date of initial application of the amendment, with a corresponding adjustment to reserves.	
Amendment to IFRS 18	The IASB has issued a new standard on the presentation of breakdowns in financial statements, which replaces IAS 1 'Presentation of Financial Statements'. Many of the existing principles in IAS 1 are maintained, however, the new key concepts introduced in IFRS 18 relate to: - The structure of the profit and loss account, requiring the presentation of certain specific totals and subtotals and requiring the classification of items in the profit and loss account into one of five categories: operating, investing, financing, income tax and discontinued operations. - Disclosures required in the financial statements for certain performance measures reported in the financial statements (i.e. management defined performance measures), and - Improved principles on aggregation and disaggregation that apply to the main financial statements and notes in general. IFRS 18 does not change the recognition or measurement of items in the financial statements but could change what an entity reports as its 'operating profit'.	01 January 2027
IFRS 19. Dependents without public responsibility: Breakdowns	This new standard has been developed to allow subsidiaries without public accountability, with a parent that applies IFRS in its consolidated financial statements, to apply IFRS with reduced disclosure requirements. IFRS 19 is a voluntary standard that eligible subsidiaries can apply when preparing their own consolidated, separate and individual financial statements, provided that the relevant regulatory legislation allows it. These subsidiaries will continue to apply the recognition, measurement and presentation requirements of other IFRS standards, but may replace the disclosure requirements of those standards with reduced disclosure requirements.	01 January 2027
Amendments to IFRS 9 and IFRS 7. Modifications to the classification and valuation of financial instruments.	These amendments to IFRS 9 and IFRS 7 are intended to: a) clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic cash transfer system. b) clarify and add additional guidance for assessing whether a financial asset meets the criterion of payments of principal and interest only. c) incorporate new disclosure requirements for certain instruments with contractual terms that may change cash flows (such as some instruments with characteristics linked to the achievement of environmental, social and governance (ESG) objectives), and d) update the disclosures for equity instruments designated at fair value through other comprehensive income.	01 January 2026

In general, the Group expects that the entry into force of the other standards and interpretations should not have a significant impact on the consolidated financial statements.

2.2 Responsibility for the information and use of estimates

The information in these consolidated financial statements is the responsibility of the Directors of the Parent.

In the preparation of the accompanying consolidated financial statements, judgements and estimates were made by directors of the Group with the aim of quantifying certain assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

1. The useful life of the property, plant and equipment and intangible assets (see Notes 4.2 and 4.3).

2. The estimates which are considered for the recognition of income on contracts to which the percentage of completion method is applied (construction area, see Note 4.11).

3. The assessment of potential impairment losses of certain assets (see Notes 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7 and 4.8).

4. The probability of occurrence and the amount of uncertain or contingent provisions and liabilities (see Note 4.16 and 4.17).

5. The fair value of certain financial instruments (see Note 4.8).

6. The fair value of assets and liabilities acquired in business combinations (see Notes 2.4 and 8).

7. The assessment of the recoverability of tax credits (see Note 4.15).

8. Judgements and assumptions considered in contracts under the IFRS 16 Leasing standard (see Note 4.5).

9. Calculation of the forecast of the expenditure for corporation tax (see note 20).

Although these estimates were made on the basis of the best information available at 31 December 2024 on the events analysed, events that may take place in the future may make it necessary to significantly change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, "Accounting policies, changes in accounting estimates and errors", recognising the effects of the change in estimates in the consolidated income statements for the years affected.

2.3 Currency

These consolidated financial statements are presented in Euros, since this is the functional currency of the main economic environment where Grupo SANJOSE operates. Foreign operations are recognised in accordance with the policies established in Note 4.13.

The main closing and average exchange rates for the period, in reference to the euro, used in the process of preparing these consolidated annual accounts for the 2024 financial year are as follows:

Country	Currency	Year-end exchange rate	Average exchange rate
The United States /East-Timor	US Dollar (USD)	1.039	1.083
Argentina	Argentine Peso (ARS)	1,074.312	991.809
Mexico	Mexican Peso	21.524	19.899
Cape Verde	Cape Verde Escudo	110.265	110.265
Uruguay	Uruguayan Peso	45.450	42.957
Paraguay	Guaraní	8,158.720	8,198.260
Peru	Peruvian Sol	4.223	4.333
Chile	Chilean Peso (CLP)	1,035.280	1,019.842
Brazil	Brazilian Real	6.451	5.847
India	Indian Rupee	89.085	90.559
United Arab Emirates	UAE Dirham	3.825	3.972
Morocco	Morocco Dirham	10.285	10.629

Main balances and transactions in foreign currency correspond to those from Chile, Peru, Mexico, Argentina Cape Verde and Abu Dhabi. Note 6.2. of the accompanying consolidated financial statements includes total assets and revenue provided by companies with operating currency other than the Euro.

As of 31 December 2024, the Group had negative Conversion differences recorded by the Parent under net equity amounting to EUR 34,280 thousand (EUR 47,026 thousand at 31 December 2023). The breakdown as of 31 December 2024 and 31 December 2023 by country is as follows:

		Thousands of euros	
Country	**Currency**	**31.12.2024**	**31.12.2023**
Argentina	Argentine Peso (ARS)	(6,491)	(13,891)
Paraguay	Guaraní	(5,080)	(4,889)
Perú	Peruvian Sol	(2,162)	(3,327)
Chile	Chilean Peso (CLP)	(17,906)	(15,592)
United Arab Emirates	UAE Dirham	(366)	(5,093)
Others	-	(2,275)	(4,234)
Total		**(34,280)**	**(47,026)**

None of these countries, with the exception of Argentina, are considered to be hyper-inflationary economies as defined by IAS 29.

Hyperinflationary economies

As of 1 July 2018, as a consequence of reaching in the financial year a cumulative inflation of more than 100% during the last three financial years, Argentina was declared a hyperinflationary economy. Consequently, as at 31 December 2023 and 2024, the provisions of IAS 29 "Financial Reporting in Hyperinflationary Economies" are applicable.

The inflation considered for this calculation in the year 2024 has been 117,8%. This index is extracted from the information published by the National Institute of Statistics and Censuses (INDEC), a public body, through the publication of the Consumer Price Index that measures the variation in the prices of goods and services representative of consumer spending of homes.

Breakdown for the last years is as follows:

	31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024
Price index based	283.5	385.9	582.5	1,134.6	3,533.2	7,694.0
Annual variation	53.8%	36.1%	50.9%	94.8%	211.4%	117.8%

Re-expression profits/(loss) recorded in the financial statements of companies with Argentine peso functional currency are included in the consolidated income statement under "Adjustment for inflation in hyper-inflationary economies". The effect on profit/(loss) of the adjustments for inflation of Group companies with Argentine peso as functional currency, corresponding to the year ending 31 December 2024, amounts to a loss of EUR 45 thousand (EUR 2,585 thousand for the year ended 31 December 2023).

During the financial year 2024, the effect on consolidated equity of the revaluation of non-monetary items is positive, amounting to EUR 6,460 thousand (the effect on equity in the financial year 2023 was negative, amounting to EUR 26,117 thousand). This amount is recorded together with the Conversion differences generated by translating the restated financial statements of the subsidiaries in Argentina into euros, under the heading "Conversion differences in consolidated companies" in the Group's consolidated equity.

2.4 Basis of Consolidation

a) Subsidiarles

Subsidiaries are considered to be those over which the Parent Company has the capacity to exercise control, a capacity that is manifested when the Parent Company is exposed, or has the right, to variable returns from its involvement in the investee and has the ability to influence these returns. through its power over it.

In application of IFRS 10 "Consolidated financial statements", the Parent Company controls an investee if and only if it meets all of the following elements:

- Power over the investee.

- Exposure or right to variable returns from their involvement in the investee.

- Ability to use its power over the investee to influence returns.

The financial statements of the subsidiaries are fully consolidated with those of the Parent. Accordingly, all balances and effects of the transactions between consolidated companies were eliminated on consolidation.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are recognised at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as goodwill. Any deficiency in the cost of acquisition with respect to the fair value of identifiable net assets acquired, that is, the discount in the acquisition, is recorded as profit or loss on the date of acquisition.

The interest of minority shareholders is stated at the minority's proportion of the fair values of the identifiable assets and liabilities recognised. The minority's share of:

1. The equity of their investees: It is presented within the Group's consolidated equity under "Minority Interests" in the consolidated balance sheet.

2. Differences are recorded under "Exchange rate differences" in the accompanying income statement.

The results of subsidiaries acquired during the year are included in the consolidated income statement from the date of acquisition to year-end. Similarly, the results of subsidiaries disposed of during the year are included in the consolidated income statement from the beginning of the year to the date of disposal.

Annex I to the consolidated financial statements details the subsidiaries included in consolidation and significant information thereon.

b) Joint agreements

A joint venture is a contractual arrangement whereby two or more companies ("venturers") have interests in entities (jointly controlled entities) or undertake operations or hold assets so that strategic financial and operating decisions affecting the joint venture require the unanimous consent of the venturers.

Joint ventures are those jointly controlled by two or more unrelated entities. The Group recognises its interest in the joint ventures in which it has an interest by applying the equity method, in accordance with the option set out in IFRS 11 - "Joint Agreements".

The Group develops its activity through its participation in joint ventures in Spain and overseas (different types of joint ventures), which are unincorporated entities without independent legal status, through which a partnership relationship is incorporated in order to develop a concrete service or project. In these cases, in which an individualised control of assets and liabilities is executed, as well as Similarly, interests in Spanish UTEs (unincorporated joint ventures), joint property entities and economic interest groupings were included in the accompanying consolidated financial statements in proportion to the Group's interest in the assets, liabilities, income and expenses arising from the transactions performed by these entities, and reciprocal asset and liability balances and income, expenses and profits or losses not realised with third parties were eliminated.

Assets and liabilities assigned by the Group to jointly controlled operations and the Group's share of the jointly controlled assets are recognised in the consolidated balance sheet classified according to their specific nature. Similarly, income and expenses of joint ventures is recognised in the consolidated income statement on the basis of its own nature.

Financial information provided by consolidated financial accounts of the Group by joint operations, in aggregate, at 31 December 2024 and 2023 is as follows:

	Millions of Euros	
	31.12.2024	**31.12.2023**
Non-current assets	1.1	1.2
Current assets	102.5	96.2
Non-current liabilities	8.5	8.5
Current liabilities	101.5	88.7
Total income	123.5	107.8
Total expense	(118.9)	(103.3)

Annex II and III to the consolidated financial statements detail the joint ventures included within the scope of consolidation and significant information thereon.

c) Associates

Associates are companies over which the Parent is in a position to exercise significant influence, but not effective control or joint management. It usually holds -directly or indirectly- 20% or more of the voting power of the investee.

In the consolidated financial statements, investments in associates are accounted for using the equity method, i.e., at the Group's share of net assets of the investee, after taking into account the dividends received there from and other equity eliminations. In the case of transactions with an associate, the related profits and losses are eliminated to the extent of the Group's interest in the associate, less any impairment of the individual investment.

Any excess of the acquisition cost with respect to the portion of the fair values of the identifiable net assets of the associated company attributable to the Group at the acquisition date is recognised as goodwill. Any deficiency in the cost of acquisition with respect to the fair value of the identifiable net assets of the associated company that the Group owns on the acquisition date is recognised as profit or loss in the acquisition period.

If as a result of losses incurred by an associate its equity were negative, the investment should be presented in the Group's consolidated balance sheet with a zero value, unless the Group is obliged to give it financial support.

Annex II to the consolidated financial statements details the associates included in consolidation and significant information thereon.

d) Changes in the scope of consolidation

During years 2024 and 2023 there have been no significant changes in the scope of consolidation of the Group. In any case, main corporate transactions are detailed below:

Year 2024:

1. During the second semestrerr of 2024, the associated company "Crea Madrid Nuevo Norte, S.A." (previously called "Distrito Castellana Norte, S.A.") carried out two capital increase for a total amount of 9,105 thousand and 267,556 thousand euros respectively. The Group, through its investee "Desarrollos Urbanísticos Udra, S.A.U.", has subscribed and paid up all the shares corresponding to its shareholding, for a total amount of 27,666 thousand euros. As a result, it maintains its 10% interest in the investee's share capital, having significant influence insofar as it is represented on its governing body (see Notes 2.4.c and 11).

2. During the 2024 financial year, the Group Company 'Constructora San José, S.A. has proceeded with the liquidation and closure of the investee 'Constructora San José Mozambique, S.A.U.'. This liquidation transaction had no significant effect on the Group's consolidated profit and loss account for the 2024 financial year "

3. During the month of November, the companies of the Constructora San José S.A. Group (through its branch in Chile) and Constructora de Inversiones San José Andina Limitada, have incorporated the Chilean company 'Sociedad Concesionaria Penitenciario de Talca, S.A.', with a share capital of 7,400 thousand Chilean pesos (7,148 thousand euros), fully subscribed and paid up as of 31 December 2024. The purpose of this company will be to manage the concession contract awarded by the Chilean Ministry of Public Works for the fitting out, maintenance and operation of the public works project called 'New Penitentiary Establishment of Talca', in Chile.

4. During the month of October, the Group, through its subsidiary ‘Constructora San José, S.A.’ has acquired 25% of the share capital of the companies ‘Altacus Investment, S.A.’, ‘Cirilla Investments, S.A.’ and ‘Lysistrata Investments, S.A.’, for a total amount of 1,725 thousand euros, companies awarded the concession contract for lots 1, 6 and 10 of the VIVE III Plan of the Community of Madrid.

Year 2023:

1. During the first quarter of 2023, the associated company "Crea Madrid Nuevo Norte, S.A." (previously called "Distrito Castellana Norte, S.A.") carried out a capital increase for a total amount of 21,027 thousand euros. The Group, through its investee "Desarrollos Urbanísticos Udra, S.A.U.", has subscribed and paid up all the shares corresponding to its shareholding, for a total amount of 2,103 thousand euros. As a result, it maintains its 10% interest in the investee's share capital, having significant influence insofar as it is represented on its governing body (see Notes 2.4.c and 11).

2. During the month of October 2023, the Group proceeded to liquidate the investee company ‘Xornal Galinet, S.A.U.’ This operation has not had a significant effect on the Group's consolidated profit and loss account for the 2023 financial year.

3. During 2023, the Group company "Constructora San José, S.A." has proceeded to liquidate and close its branches in Nepal, Panama and Bolivia, as well as its investee "San José Panamá, S.A.". These liquidation operations have had no significant direct effect on the Group's consolidated profit and loss account for the 2023 financial year. However, in accordance with Spanish tax legislation, the profit at source contributed to the Group by these units is included as a permanent difference in the Group's taxable income for the year (see Note 20.2).

2.5 Comparison of information

Information recorded on the consolidated financial statements for year 2023 is provided for comparison purposes only with that provided as of the year ended 31 December 2024.

2.6 Changes in the accounting criteria

Accounting criteria applied during year 2024 is the same as that implemented in year 2023.

During year 2024, no significant changes have been applied compared to those applied in year 2023.

3. Distribution of the Parent's profit

The Directors of the Parent Company will propose the AGM to distribute the profit for the year ended 31 December 2024, amounting to EUR 8,069 thousand, to "Voluntary reserves".

In the last five years, the Parent Company has distributed dividends in years 2020, 2021, 2022 and 2023 for a gross amount of EUR 0.10 per share, amounting to a total of EUR 6,502,608.30 each year. In the financial year 2024, the dividend distributed was 0.15 euros per share, which represents a total of 9,753,912.45 euros.

4. Accounting principles and policies and measurement bases

The accounting principles and policies and measurement bases used in preparing the Group's consolidated financial statements for 2024 were as follows:

4.1 Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Any excess of the cost of the investments in the consolidated companies and associates over the corresponding underlying carrying amounts acquired, adjusted at the date of first-time consolidation, is allocated as follows:

1. If it is attributable to specific assets and liabilities of the companies acquired, increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying

amounts at which they had been recognised in their balance sheets and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc.

2. If it is attributable to specific intangible assets, recognising it explicitly in the consolidated balance sheet provided that the fair value at the date of acquisition can be measured reliably.
3. The remaining amount is recognised as goodwill, which is allocated to one or more specific cash-generating units.

See Note 8 for details on the allotment of gains on from business of the Group.

Goodwill is only recognised when it has been acquired for consideration and represents, therefore, a payment made by the acquirer in anticipation of future economic benefits from assets of the acquired company that are not capable of being individually identified and separately recognised.

At the end of each reporting period, goodwill is tested for impairment to reduce its recoverable amount to below its carrying amount and, if so, written down with a charge to "Impairment and gains or losses on disposal of non-current assets" in the consolidated income statement. In accordance with IAS 36 - "Impairment of assets", an impairment loss recognised in goodwill will not be reversed in subsequent periods.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

Goodwill arising in the acquisition of companies with a functional currency other than the Euro is translated to Euros at the exchange rates prevailing at the date of the consolidated balance sheet.

Negative differences between the cost of equity investments of consolidated and associated entities with respect to the corresponding theoretical-accounting values acquired, adjusted on the date of first consolidation, qualify as negative goodwill and are recorded as follows:

1. If it is attributable to specific assets and liabilities of the companies acquired, increasing the value of the assets (or reducing the value of the liabilities) whose market values were higher (lower) than the carrying amounts at which they had been recognised in their balance sheets and whose accounting treatment was similar to that of the same assets (liabilities) of the Group: amortisation, accrual, etc.
2. The remaining amount is presented under "Other Operating Income" in the consolidated statement for the year in which the share capital of the subsidiary or associate is acquired.

4.2 Other intangible assets

The other intangible assets are identifiable non-monetary assets without physical substance which arise as a result of a legal transaction, or which are developed internally by the consolidated companies. Only assets whose cost can be estimated reasonably objectively and from which the consolidated companies consider it probable that future economic benefits will be generated are recognised.

Intangible assets are recognised initially at acquisition or production cost and are subsequently measured at cost less any accumulated amortisation and any accumulated impairment losses.

The consolidated companies recognise any impairment loss on the carrying amount of these assets with a charge to "Impairment and Gains or Losses on Disposals of Non-Current Assets" in the consolidated income statement. The criteria used to recognise the impairment losses on these assets and, where applicable, the recovery of impairment losses recognised in prior years is similar to those used for property, plant and equipment (see Note 4.4).

Administrative concessions

Administrative concessions are recognised as assets when they have been acquired by the Group for consideration in the case of concessions that can be transferred or for the amount of the expenses incurred to directly obtain the concession from the related public agency.

This item included concessions within ICIFRS 12 “Service Concession Agreements” and that correspond, mainly, to energy and environmental infrastructure investment by subsidiaries of Grupo SANJOSE.

Main features to be taken into consideration are as follows:

- Assets object of concession regime are usually property of the Grantor.

- The Grantor controls or monitors the Concessionaire, as well as funding conditions and terms.

- Concessional Rights imply the monopoly exploitation of a service for a period of time according to concession terms. Upon completion of the concession period, real estate necessary for the provision of services becomes property of the concessional company

- Income derives from the provision of services can be received directly from customers or from the concessional company. Prices for services are usually established by the concessional company.

In general, there are two clearly marked stages, one in which the concessionaire provides construction or restoration services, according to level of the works pursuant to IAS 15 "Income from ordinary activities from contracts with clients for an intangible or financial asset, and a second stage in which maintenance and operation services of said infrastructure are provided in accordance with the given standard.

Intangible assets are recorded whenever risk is assumed by the concessionaire and financial assets are recorded if risk is assumed by the grantor, bearing the concessionaire the right to be paid for provided construction or improvement services. Royalties for awarding of concession regime are also recorded as assets.

- The Group amortises these rights on a straight-line basis over the estimated term of the concession.

In the event of non-compliance, leading to the loss of the concession rights, the carrying amount of the concession is written off.

Computer software

Computer software may be contained in a tangible asset or have physical substance and, therefore, incorporate both tangible and intangible elements. These assets are recognised as property, plant and equipment if they constitute an integral part of the related tangible asset, which cannot operate without that specific software.

Computer software is amortised on a straight-line basis over three years from the entry into service of each application.

Computer system maintenance costs are charged to the consolidated income statement for the year in which they are incurred.

Usage rights

The Group classifies as intangible assets the usage rights of the plot of land on which the investee company "Fotovoltaica El Gallo 10, SL" operates and which is amortised on a linear basis, depending on the useful life of said rights, which serve the period of use of the plot of land, which is established in 25 years. The end of the leasing rights will be in 2036.

Rights have been valued in accordance with the costs incurred into at acquisition.

4.3 Property, plant and equipment and investment property

Property, plant and equipment

Property, plant and equipment for own use is recognised at cost less any accumulated depreciation and any recognised impairment losses.

Replacements or renewals of complete items that lead to a lengthening of the useful life of the assets or to an increase in their economic capacity are recognised as additions to property, plant and equipment, and the items replaced or renewed are derecognised.

Periodic maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred.

Borrowing costs are only capitalised when significant investments in qualifying assets are made, which are those that take a substantial period of time to get ready for their intended use (see Note 4.12). Borrowing costs incurred to acquire property, plant and equipment for own use are charged to the consolidated income statement on an accrual basis and are not capitalised.

The Group works on their own assets are entered at the accumulated cost (external costs plus in-house costs), determined on the basis of in-house materials consumption and manufacturing costs, calculated using absorption rates similar to those used for the valuation of inventories.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value; the land on which the buildings and other structures stand has an indefinite useful life and, therefore, is not depreciated.

The property, plant and equipment depreciation charge for the period is recognised in the consolidated income statement and is based on the application of the following depreciation rates, which are determined on the basis of the average years of estimated useful life of the various assets:

	Annual percentage
Buildings	2
Technical facilities	10
Machinery	15
Other fixtures, tools and furniture	12-33
Other items of property, plant and equipment	12-33

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment losses. Depreciation of these assets commences when the assets are ready for their intended use.

The consolidated companies assess at each reporting date whether there is any internal or external indication that an asset may be impaired (i.e., its carrying amount exceeds its recoverable amount). If so, the carrying amount of the asset is reduced to its recoverable amount and future depreciation charges are adjusted in proportion to the revised carrying amount and to the new remaining useful life, if the useful life must be re-estimated.

Similarly, if there is an indication of a recovery in the value of an item of property, plant and equipment, the consolidated companies recognise the reversal of the impairment loss recognised in prior years and adjust the future depreciation charges accordingly. Under no circumstances may the reversal of an impairment loss on an asset raise its carrying amount to above that which it would have had had no impairment losses been recognised in prior years.

Facilities and equipment are recorded at their cost price less accumulated depreciation and any impairment loss recognised.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale price and the carrying amount of the asset and it is recorded under the consolidated income statement.

Investment property

"Investment Property" in the consolidated balance sheet reflects the net values of land, buildings and other structures (whether they are owned by the Group or are being used by the Group under a finance lease) held either to earn rentals or for capital appreciation. At 31 December 2024, assets recognised under "Property Investment " relate mainly to office buildings, leisure centres, land and parking spaces and the items of property, plant and equipment associated with them, such as machinery and furniture, whether owned by the Group or held under finance lease.

The Group does not take part in the management of the lessee, nor in the risks associated therein. Otherwise, they qualify as tangible fixed assets.

Investment property is presented at acquisition or production cost, where appropriate, pursuant to the applicable legislation. The same measurement basis, depreciation methods, estimated useful lives and recognition criteria are used for investment property (see Note 10).

However, those property investments that meet the criteria to be classified as "Assets held for sale" are measured according to the rules applicable to non-current assets held for sale and discontinued operations.

There are no restrictions on the amortization of real estate investments, the collection of the income derived from them or the resources obtained by their disposal or disposal by other means, other than the amortization of the mortgage loans that could be associated (see Note 16.2).

Borrowing Costs

The accounting treatment of borrowing costs is described in Note 4.12. In 2024 and 2023, the Group has not capitalised borrowing costs under "Property, plant and equipment" and "Investment Property" in the attached consolidated balance sheet.

4.4 Asset impairment

At the end of each year, or whenever it is deemed necessary, the value of assets is analysed to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the amount of the required write-down (if any). Where an identifiable asset does not generate cash flows independently, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In the case of cash-generating units to which goodwill or intangible assets with an indefinite useful life have been allocated, recoverability is systematically analysed at the end of each reporting period or whenever it is deemed necessary to perform such an analysis on the basis of the existing circumstances.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. In calculating the recoverable amount of property, plant and equipment and goodwill, the Group uses value in use in practically all cases.

To estimate value in use, the Group prepares future pre-tax cash flow estimates based on the most recent budgets approved by Group management. These budgets include the best estimates available of income and costs of the cash-generating units based on industry projections, past experience and future expectations.

These projections cover the coming five years and cash flows for the following years are estimated by applying zero growth rates. These cash flows are discounted to present value at a pre-tax rate which reflects the cost of capital of the business and the geographical area in which it is carried on. In order to calculate the rate, the current time value of money and the risk premiums generally used by analysts for the business and the geographical area are taken into account.

In the event that the recoverable amount is lower than the net book value of the asset, the corresponding provision is recorded for impairment loss for the difference under "Impairment and profit/(loss) from disposal of fixed assets" in the consolidated income statement.

With regards to the recoverable value of real estate assets, the Group uses the assessment of independent valuers (see Notes 4.6, 10 and 12.6).

As of 31 December 2024 and 2023, the Group has contracted the services of "Instituto de Valoradores, SA", issuing a valuation report of the Group's real estate assets (tangible fixed assets, real estate investments and real estate stocks), being its main features the following:

- Date of issuance, 31 December 2024 and 31 December 2024, respectively.

- The valuation criterion used depends on the nature and situation of each of the real estate assets valued. Specifically:

    - Real estate investments: sale value and rental value in the market are taken as a basis, which consist mainly of capitalising the current and / or potential net income of each property and updating future flows.

    - Completed projects, land and plots of land: valuation method by comparison (for finished products) and residual dynamic method (basically, for land and plots of land and ongoing projects). Under the Residual Method, the residual value of property is obtained by discounting the cash flows calculated on the basis of projected expenses and income at the established rate by taking into account the period until these flows are realised. The total cash receipts deemed to have been received prior to the valuation date are added to this amount in order to obtain the total value. The discount rate used is that which represents the average annual return on the project, without taking borrowings into account, that an average developer would obtain from a development similar to that analysed.

This discount rate is calculated by adding the risk premium (determined by evaluating the risk of the development, taking into account the property asset to be constructed, its location, liquidity, construction period and investment required) to the risk-free interest rate. When the determination of the cash flows takes into account borrowings, the aforementioned risk premium is increased in proportion to the percentage of the borrowings (degree of leverage) attributed to the project and the habi1tual interest rates in the mortgage market.

Also, in the valuation of given plots of land, purchase-sale transactions that would have occurred in the area, are taken as a reference for comparison purposes.

In any case, valuation criteria were performed as defined by the *Royal Institution of Chartered Surveyors* (RICS) and in accordance with the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC), which group together international and European asset valuation institutions. For the calculation of the current value, acceptable discount rates are used for a potential investor, reasonable with those applied by the market for properties of similar features, use and location.

During the last few years, there have been no significant changes in the assessment criteria used.

No valuation limitations are contemplated other than those usual in this type of valuation reports.

The fair value of real estate assets depends, among others, on the exchange rate at the valuation date, as well as on the interest rate curve (mainly the Euro and the Argentine peso) At 31 December 2024, changes that occurred in the value of financial instruments of the Group due to changes in interest rates is not significant.

4.5 Leases

A contract contains a lease when the lessor transfers control of an identifiable underlying asset for a certain period of time in exchange for a consideration. An asset is identifiable when it is explicitly specified in the contract or implicitly when it is made available to the client. However, if the supplier has the right to replace the asset during the period of use, that is, when it has alternative assets and can economically benefit from such substitution, the asset is not considered identifiable and therefore the contract will not contain a lease.

4.5.1 Lessee perspective: rights of use identified in lease agreements

When the Group companies act as lessees, all leasing operations (except for certain exceptions for being of a reduced amount or duration) in which The Group acts as a lessee, generate the accounting of an asset for the right of use, registered by nature primarily as a material asset, and as a liability for the future payment obligations incurred into. The liability will be recorded at the current value of the future cash flows of each lease and the asset for an equivalent amount adjusted for any advance payment paid. Subsequently, the right-of-use asset is valued at cost less accumulated depreciation and impairment losses; and adjusted for any new measurement of the lease liability resulting from a modification or revaluation of the lease.

Right-of-use assets are depreciated on a straight-line basis over the useful life of the asset or the lease term, whichever is less.

Lease payments are discounted using the interest rate implicit in the lease or, when it is not possible to obtain this rate easily, the incremental interest rate of the indebtedness of the Group entity set put in the lease agreement. The lease liability is increased by the accrued financial expenses and decreases by the amount of the lease payments made. The value of the liability is recalculated when changes occur in the terms of the lease, in the valuation of the purchase option, in the amounts expected to be paid under the residual value guarantee or when future lease payments are modified as consequence of changes in the indices or types used for its calculation.

The lease period begins when the lessor makes the underlying asset available to the lessee for its use. The lease period used in the valuation is the non-cancellable period of the lease. The early cancellation option maintained only by the lessor is not considered in the determination of the lease period. Therefore, the determination of the lease period requires the application of judgement by the Group's management and has a significant impact on the valuation of the assets by right of use and the liabilities for leasing. In the case of short-term lease contracts and contracts in which the underlying asset is of low value, the Group recognises the lease payments corresponding to these contracts as expenses in a linear manner during the term of the lease (See Note 22.6).

To determine the lease term, the non-revocable period of the contract is taken into account plus the periods covered by the option to extend the lease, if the lessee is reasonably certain that this option will be exercised. In this regard, the available historical information has been taken into account as indicated in paragraph B.40 of IFRS 16, having materialised this general criterion in a specific standard by which, in those leases of assets linked to construction works or contracts of provision of services, in which the duration of the lease is less than the duration of the contract, it is presumed that the extension option will be exercised until the termination date of the contract.

4.5.2 Landlord perspective: operating leases

The accounting of lease contracts where the Group companies act as lessor has not been affected by the application of IFRS 16: Items leased by the Group mainly relate to real estate assets, and the acquisition cost of the leased assets is presented under "Investment property" in the consolidated balance sheet. These assets are depreciated using a policy consistent with the lessor's normal depreciation policy for similar items and lease income is recognised in the income statement on a straight-line basis.

4.6 Inventories

"Inventories" in the consolidated balance sheet reflects the assets that the consolidated companies:

- Hold for sale in the ordinary course of business.
- Are in the process of constructing or developing for such sale.
- Expect to consume in the production process or in the provision of services.

Inventories are stated at the lower of acquisition or production cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and production overheads, including the costs that have been incurred into in bringing the inventories to their present location and condition at the point of sale. Trade discounts, rebates and other similar items are deducted in determining the cost of purchase.

The cost of inventories sold or applied to the production process is calculated using the weighted average method. Net realisable value is the estimated selling price less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Agricultural stocks

Biological assets shall be recorded at their fair value less the estimated costs at the point of sale, as long as it can be reliably determined. For assets lacking prices or securities set by the market and not reasonably reliable, the cost shall be valued according to their cost minus accumulated depreciation and accumulated losses due to impairment.

In any case, for agricultural products, at the time of harvesting or gathering, they shall be valued at their fair value less the estimated costs at the point of sale.

Real estate inventories

Consequently, land and other property held for sale or for inclusion in a property development in the ordinary course of the Group's business and not for capital appreciation or to earn rentals are treated as inventories.

Land is stated at acquisition cost, plus the costs of demolishing buildings and other expenses related to the acquisition (non-recoverable taxes, registration expenses, etc.). The Group does not capitalise the borrowing costs incurred on the loans obtained to finance the purchase of land to the carrying amount thereof during the period between its acquisition and the date on which the construction begins, which is when they are transferred to "Developments under construction".

"Developments under construction" includes the land development costs incurred up to year-end and the costs of construction or acquisition of real estate developments, increased by the expenses directly allocable to them (costs of construction subcontracted to third parties, fees inherent to construction and project management fees), in addition to the reasonable portion of the costs indirectly allocable to the related assets, to the extent that these costs correspond to the development period, and the borrowing costs incurred during the construction period.

The Group assesses the net realisable value of the inventories at the end of each period and recognises the appropriate loss if the inventories are overstated. When the circumstances that previously caused inventories to be written down no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

Advances to suppliers

Inventories include advances paid to suppliers in the course of the Group's ordinary purchasing activity, totalling EUR 12,686 thousand and EUR 8,392 thousand at 31 December 2024 and 2023, respectively (see Note 12).

Issuance rights

Greenhouse gas emission rights are recognised in the consolidated balance sheet when the rights giving rise to them arise for the Group. They are recorded as follows:

Initial recognition

Issuance rights shall be valued at acquisition price or production cost. In the case of rights available for free or for a price substantially below market value, said rights shall be recorded at acquisition market price thereof at the time of purchase.

Issuance rights arising from the National Allocation plan shall be recorded at the beginning of the natural year.

Subsequent recognition

After their recognition as assets, issuance rights shall be valued at acquisition price or production cost and are not subject to depreciation.

Provisions for their lower value at the end of each year shall be recorded as long as recorded carrying value in book may not be recoverable.

Expenses related to the emission of greenhouse gases accrue as greenhouse gases are rendered. A provision for risks and related costs shall be recorded as liabilities in the consolidated balance sheets until settlement of the same by delivering relevant issuance rights.

4.7 Trade receivables and customer advances

Trade receivables do not earn interest and are recognised at the fair value of the consideration given, reduced by the estimated non-recoverable amounts (see Note 13.1).

The amount of customer advances received prior to the recognition of the sale of the buildings is recognised under "Current Liabilities - Trade and Other Payables" in the consolidated balance sheet (see Note 18.2).

4.8 Financial Instruments

Financial instruments are recognised when the Group becomes an obligated party of the legal contract or business in accordance with its provisions. The Group classifies its financial assets according to terms under IFRS 9 "Financial Instruments".

The criterion for classifying financial assets will depend both on the way in which an entity manages its financial instruments (its business model) and on the existence and characteristics of the contractual cash flows of financial assets. Based on the foregoing, the asset will be measured at amortised cost, at fair value through changes in equity or at fair value with changes in profit or loss, as follows:

- If the objective of the business model is to maintain a financial asset for the purpose of collecting contractual cash flows and, according to the terms of the contract, cash flows are received on specific dates that exclusively constitute principal payments plus interest on said principal, financial assets will be valued at amortised cost.

- If the business model is aimed both at obtaining contractual cash flows and their sale and, according to the terms of the contract, cash flows are received on specific dates that exclusively constitute payments of the principal plus interest on said principal, financial assets will be valued at fair value with changes in other comprehensive income (equity).

Out of these scenarios, the outstanding assets will be valued at fair value with changes in profit or loss. All equity instruments (for example, stocks) are valued by default in this category. This is because their contractual flows do not comply with the characteristic of being only payments of principal and interest. Financial derivatives are also classified as financial assets at fair value through profit or loss, unless they are designated as hedging instruments.

For valuation purposes, financial assets must be classified in one of the following categories, with the accounting policies of each of them being the following:

1. Financial assets at amortised cost: these assets are recorded after their initial recognition at amortised cost according to the effective interest rate method. Said amortised cost will be reduced by any impairment loss. They will be recorded under the consolidated income statement profit for the period when the financial asset is derecognised or has been impaired, or due to exchange differences. Interest calculated using the effective interest method is recognised in the income statement under "financial income".

2. Financial assets at fair value through profit or loss: Financial assets at fair value through profit or loss are recognised initially and subsequently at fair value, without including transaction costs, which are charged to the consolidated income statement. Gains or losses arising from changes in fair value are included in the income statement under "Changes in the fair value of financial instruments" in the period in which they originated. Any dividend or interest is also carried to financial profit/(loss).

3. Debt instruments at fair value through equity: They are subsequently accounted for at fair value, recognising the changes in fair value in "Other comprehensive income". Interest income, impairment losses and foreign exchange differences are recognised in the consolidated income statement. When sold or derecognised, the cumulative fair value adjustments recognised in "Other comprehensive income" are included in the consolidated income statement as "other financial income / (expense)".

Impairment of financial assets

The impairment model is applicable to financial assets valued at amortised cost that include the item "Customers for sales and services rendered".

The impairment model is based on a dual valuation approach, under which there will be a provision for impairment based on the expected losses over the next 12 months or based on the expected losses over the entire life of the asset (IFRS 9, P.5.5.3 and P.5.5.5). The fact that determines the passage from the first approach to the second is that there is a significant worsening in the credit quality.

Notwithstanding the provisions of paragraphs 5.5.3 and 5.5.5, the Group will always calculate the value correction for losses in an amount equal to the expected credit losses throughout the life of the asset in the case of:

(a) Trade receivables or contract assets arising from transactions that are within the scope of IFRS 15 - “Revenues from contracts with customers” and that:

    (i) do not have a significant financing component (or when the entity applies the practical solution in relation to contracts of one year or less) in accordance with IFRS 15); or

    (ii) have a significant financing component in accordance with IFRS 15, if the Group has adopted the accounting policy of calculating the allowance for losses in an amount equal to the expected credit losses throughout the life of the asset.

(b) Lease receivables arising from transactions that are within the scope of IFRS 16 - “Leases”, if the entity has adopted the accounting policy of calculating the allowance for losses in an amount equal to the expected credit losses during the entire life of the asset.

Financial Liabilities

Main financial liabilities held by the Group companies are financial liabilities at amortized cost. Financial liabilities held by the Group companies are classified as:

1. Bank loans and other loans: loans obtained from banks and other lenders are recorded at the amount received, net of the costs incurred in the transaction.

   Subsequently, financial debts are valued at amortised cost. Any difference between the income obtained (net of the transaction costs) and the reimbursement value is recognised to profit/(loss) over the life of the debt according to the effective interest rate method.

   Financial debt is eliminated from the consolidated balance sheet when the obligation specified in the contract has been paid, cancelled or expired. The difference between the carrying amount of a financial liability that has been cancelled or assigned to another item and the consideration paid, including any assigned asset different from the cash or liability assumed, is recognised in the income statement as other financial income or expenses.

The exchange of debt instruments between the Group and the counterparty or the substantial modifications of the liabilities initially recognised, are accounted for as a cancellation of the original financial liability and the recognition of a new financial liability, provided that the instruments have substantially different conditions. The Group considers that the conditions are substantially different if the present value of the discounted cash flows under the new conditions, including any commission paid net of any commission received, and using the original effective interest rate to make the discount, differs at least at 10 percent of the discounted present value of the cash flows that still remain of the original financial liability.

If the exchange is recorded as a cancellation of the original financial liability, the costs or fees are recognised in the consolidated income statement forming part of the profit/(loss) of the same. Otherwise, amended cash flows are discounted at the original effective interest rate, recognising any difference with the previous carrying amount in profit or loss. In addition, costs or commissions adjust the carrying amount of the financial liability and are amortised by the amortised cost method during the remaining life of the modified liability.
The Group recognises the difference between the carrying amount of the financial liability or a part of it that is cancelled or assigned to a third party and the consideration paid, including any assigned asset different from the cash or liability assumed in profit or loss.

2. Trade payables and other payables: payables originated by traffic operations are initially recorded at fair value and, subsequently, are valued at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the obligations they generate have been extinguished.

4.9 Treasury Shares of the Parent

Equity instruments are classified in accordance with the content of the contractual arrangements. Equity instruments issued by the Parent are recognised in consolidated equity at the proceeds received, net of direct issue costs.

Grupo SANJOSE did not hold any treasury shares at 31 December 2024 and 2023. Likewise, no transactions involving treasury shares were carried out during years 2024 and 2023.

4.10 Derivative financial instruments and hedge accounting

The Group contracts OTC derivative financial instruments to secure risks arising from future activities, transactions and cash flows. Risks are, chiefly, changes in interest rate types. Within the framework of these transactions, the Group contracts financial instruments for economic hedging.

Derivatives are initially recognised at fair value on the date on which the derivative contract is signed and subsequently they are revalued at their fair value at balance sheet date. The accounting for subsequent changes in fair value depends on whether the derivative has been designated as a hedging instrument and, if so, on the nature of the item being hedged.

At the beginning of the hedge relationship, the Group documents the economic relationship between the hedging instruments and the hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset the changes in the cash flows of the hedging instruments. The Group documents its risk management objective and strategy for undertaking its hedging transactions.

The effective part of the changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The loss or profit related to the ineffective part is recognised immediately as gain or loss under other income or other expenses.

Gains or losses corresponding to the effective portion of the change in the intrinsic value of option contracts are recognised in the cash flow hedge reserve in equity. Changes in the time value of option contracts that are related to the hedged item ("aligned time value") are recognised within other comprehensive income in the costs of the hedge reserve in equity.

When forward contracts are used to hedge forecasted transactions, the Group generally designates only the change in the fair value of the forward contract related to the cash component as the hedging instrument. Gains or losses corresponding to the effective portion of the change in the intrinsic value of option contracts are recognised in the cash flow hedge reserve in equity. Changes in the item in the term of the contract related to the hedged item are recorded under other comprehensive income in the costs of the hedge reserve within equity. In some cases, the gains or losses corresponding to the effective part of the change in the fair value of the full-term contract are recognised in the cash flow hedge reserve in equity.

The Group holds cash flow hedges. Profit or loss of the financial instrument is recorded under net equity and is registered at the corresponding income statement in which the element is classified as hedging financial instrument. Yet if the elements do not qualify as financial asset or liability, arising amounts would be recorded as cost of the said assets or liability.

The accounting of hedges is interrupted when the hedging instrument expires, or is sold, terminated or exercised, or fails to meet the criteria for accounting of hedges. At that time, any cumulative profit or loss, corresponding to the hedging instrument that has been recorded in equity, remains within equity until the anticipated transaction occurs. When the operation that is being hedged is not expected to occur, the accumulated net gains or losses recognised in equity are transferred to the net profit/(loss) for the period.

Derivatives implicit in other financial instruments or in major contracts are recorded separately as derivatives only when their risks and characteristics are not closely related to the main contracts and provided that those principal contracts are not valued at fair value through recognition in the statement of consolidated comprehensive profit/(loss) of changes in fair value.

In the case of derivative financial instruments contracted by the Group that meet the aforementioned requirements to qualify as cash flow hedges, changes in fair value are recognised under "Valuation adjustments" in equity in the accompanying consolidated balance sheet (see Note 14.6).

Changes in the fair value of the derivative financial instruments arranged by the Group that do not fully meet the aforementioned requirements for classification as a hedge were recognised under "Changes in Fair Value of Financial Instruments" in the consolidated income statement (see Note 17).

The accounting standard IFRS 13 - Measurement of Fair Value considers credit risk in the measurement of fair value. Pursuant to IFRS 13, fair value is defined as the price to be charged for selling an asset or to be paid for transferring a liability at a market transaction at measurement date (for example, starting price) regardless said price has been estimated or corresponds to market conditions.

IFRS 13 indicates that fair value of assets and liabilities shall include credit risk of the entity itself and of its counterparty. This principle affects derivative financial instruments of Grupo SANJOSE.

For calculating fair value of derivative financial instruments, the Group has applied several methods which include current and future exposure, possibility of default and potential loss in the event of default. Consequently, CVA (*Credit Value Adjustment*) or credit risk of the counterpart and DVA (*Debt Value Adjustment*) or its own credit risk are defined.

Total exposure of derivatives is determined by the market, taking into consideration interest rate changes, exchange rate changes and any other changes subject to market conditions.

Possibility of default has been based on credit spread of financing of Grupo SANJOSE, verifying it is similar to that of similar companies and therefore it is a market reference.

Further, for the adjustment of credit risk, total exposure of the Company to counterparties has been taken into consideration. In the event of counterparties with credit information, credit spreads are provided by CDS (Credit Default Swaps) listed on the stock exchange; companies lacking credit information use reference information available.

At 31 December 2024 and 2023, the Group has foreign currency forward contracts (fx forward and fx swap) for a total amount of EUR10,853 and EUR 26,823 thousand, respectively, maturing in the short term. The pre-tax impact on the Group's consolidated equity of the change in fair value arising from these contracts at year-end 2024 is positive amounting to 616 thousand euros (in 2023 the variation was negative amounting to 735 thousand euros).

4.11 Recognition of revenue and expenditure

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Income and expenses are recognised when control of the good or service is transferred to the customer.

In application of IFRS 15 - “Revenues from contracts with customers”, the Group identifies and separates the different commitments to transfer a good or service contemplated in a contract. This implies the separate recognition of income from each of the obligations that could be identified individually within the same main contract.

Likewise, the Group estimates the price of each of the contracts that have been identified taking into account, in addition to the initial price agreed in the contract, the amount of the variable consideration, the time value of money (in the cases in which it is considered that there is a significant financing component) and non-monetary considerations.

Some of the particularities existing in the activities carried out by the Group are detailed below:

4.11.1 Construction activity

In general, the performance obligations that the Group performs in the construction activity are satisfied over time and not at a specific moment, since the client simultaneously receives and consumes the benefits provided by the performance of the entity as the service is provided.

The Group recognises income, generally, in accordance with the "Input-based method", as described in IFRS 15, as a progress grade procedure. The Group recognises total contract costs incurred into and income from said contracts, and reasonably assured sales relating to completed construction work.

Contract costs are recognised on an accrual basis, recording as expense any costs actually incurred into in completed construction units and costs which may be incurred into in the future but must be charged to the construction units that have been currently completed. Likewise, an expected loss on the construction contract is recognised as an expense immediately.

For any works performed not included within the scope of the main contract, at the request of the client, such as refurbishments, additions and modifications of the work, income is recorded following the same method of that used for the main work, provided it is technically justified and approved, and there is no doubt about its subsequent approval. In accordance with the provisions of IFRS 15, P.21.b. the Group accounts for the aforementioned modification as if it were a part of the existing contract, if the goods are not different or differentiated and, therefore, form part of a single performance obligation that was partially satisfied on the date of the contract modification.

Different Group companies with construction or project execution activity are provided with the necessary and sufficient internal control system for the identification and differentiation of the components of total revenue budget (main contract, amendment, complementary and claims) and the approval level (not approved, with technical approval, with technical and economic approval).

The application of this method for the recognition of the outcome of construction contracts is combined with the preparation of a budget for each construction contract detailed by construction unit which is used as a key management tool in order to closely follow up, for each construction unit, any variances between budgeted and actual figures.

Further, the application of IFRS 15 requires an increase in the level of acceptance by the client in relation to the recording of income from modifications to the original contract. With regards to contracts with ongoing negotiations to obtain the client's approval, their status is required to be advanced so as to determine whether it is highly probable that the entry record will not be reversed in the future. Additionally, in these cases, the recognition of income by the Group is recorded by applying the limitations corresponding to variable consideration established by IFRS 15 P.57. In case of approval of the modification without the amount being defined, the income is estimated as a variable consideration, only as long as the probability criteria and of no significant reversion of the income in the future are met.

It should be noted that the IFRS 15 standard includes requirements in relation to "variable consideration as incentives", as well as the accounting of claims and variations as contractual modifications that imply a higher threshold of probability of recognition. According to the standard, income is recognised when it is highly probable that there will not be a significant reversal of income for these modifications. Likewise, in the event that the contracts include price revision clauses, the revenues that represent the best estimate of the future chargeable amount are recorded, under the same probability criteria established for the variable consideration.

In the event that the amount of production at origin, valued at the certification price, of each of the works is greater than the certified amount up to the date of the statement of financial position, the difference between both amounts corresponds to contractual assets that are included under the category of "Executed production outstanding certification" within the item "Trade debtors and other receivables" under current assets of the consolidated balance sheet.

If the amount of production at origin is less than the amount of the certifications issued, the difference corresponds to contractual liabilities that are collected under the category of "Customer advances", under the heading "Trade creditors and other accounts payable" of current liabilities in the consolidated balance sheet.

In relation to the aspects included in the previous paragraph, it should be noted that the Group has registered under the item "Customers for sales and provision of services" in the consolidated balance sheet, balances associated with "Certified production outstanding collection" as well as balances related to "Production executed outstanding certification".

In relation to incremental costs, bidding and contract costs, these can only be capitalised if both are expected to be recovered and that neither would have taken place if the contract had not been obtained or if they were inherent to the delivery of a project.

In the event that the total expected result of a contract is less than that recognised in accordance with the revenue recognition rules discussed above, the difference is recorded as a provision for negative margins.

Income and expense relating to construction services or improvement of infrastructure are recorded in the consolidated financial statements as construction margin.

4.11.2 Real estate promotion activity and urban developments

The main activity carried out by the Real Estate Division is the sale of houses and land. Revenue from this activity is recognised when the risks and rewards of ownership of the goods have been transferred to the buyer which usually is the date on which the public deed is executed. In this regard:

a. Sales of properties and land and the related costs are recognised in the consolidated income statement when substantially all the risks and rewards of ownership have been transferred, i.e., when the properties are delivered and the sale is executed in a public deed. The deliveries of cash by the customers as payments on account, from the date of the signing of the private agreement to the date on which the sale is executed in a public deed, are recognised under "Trade Payables" and other accounts payable - Advances from customers, on the liability side of the consolidated balance sheet.

b. The sales of building plots on which the Group has acquired the obligation with the local authorities to carry out urban development work, which affects all the building plots under the urban development plan, and which cannot be considered to be carried out specifically for the owners of the parcels sold, are broken down into two items: the sale of the building plot and the sale of the urban development work associated therewith.

   The revenue relating to the sale of the building plot is recognised when substantially all the risks and benefits of ownership have been transferred, usually when the property is delivered and the sale is executed in a public deed.

   The revenue attributable to the sale of the urban development work (which is determined on the basis of the projected costs of the urban development work as a whole, calculated in proportion to the square metres of the building plot sold with respect to the total square meters of the urban development work plus the estimated profit margin on the sale) is recognised when the urban development work has been substantially completed, at which time a provision is recognised for the estimated costs to be incurred in completing the work.

c. Rental income is recognised on an accrual basis and incentive-related income and the initial costs of lease agreements are allocated to income on a straight-line basis.

d. Asset exchange transactions. An asset exchange transaction is an acquisition of property, plant and equipment or intangible assets in exchange for the delivery of other non-monetary assets or of a combination of monetary and non-monetary assets.

   The assets received in an exchange transaction are recognised at their fair value, provided that it can be considered that the exchange has commercial substance and that the fair value of the asset received, or otherwise of the asset given up, can be reliably measured. The fair value of the asset received is taken to be the fair value of the asset given up plus, where applicable, the fair value of any monetary consideration paid in exchange, unless there is clearer evidence of the fair value of the asset received.

Asset exchange transactions that do not meet the above-mentioned requirements, the asset received is recognised at the carrying amount of the asset given up plus the amount of any monetary consideration paid or committed on the acquisition.

Income relating to the derecognition of assets given up in an asset exchange transaction is recognised when substantially all the risks and benefits of ownership of the asset have been transferred to the counterparty in the exchange, with the value assigned to the asset received being recognised as the balancing entry.

Amounts collected or instrumented in notes and bills under contracts executed at the balance sheet date in relation to properties not yet delivered are recognised under "Trade Payables" or "Other Non-Current Liabilities" on the liability side of the accompanying consolidated balance sheet, depending on whether they fall due in less than or more than one year, respectively.

4.11.3 Energy activity

Sales of electricity or any other type of energy, together with the supplements associated with it, are recorded as income at the time of delivery to the customer, at which time the obligations of the performance of the quantities supplied during the period are satisfied.

Generation activity in regulated markets and in projects with PPA (Power Purchase Agreement) or long-term power supply contracts, energy prices and their supplements have a pre-established price. For those projects that sell energy without this type of contract, the sale price of the energy and its complements vary throughout the project depending on the quoted prices per MWh of the market (pool) at each moment.

4.11.4 Concessions & Services activities

Revenue from provision of services is recognised using the percentage of completion method, whereby revenue id easily estimated.

Group companies follow the procedure of recognising the value at sale price of the service provided during said period as income each year, once the obligation to perform or transfer the good or service committed to the customer has been satisfied, which generally, coincides with the transfer of control over said transferred good or services, provided that it is covered by the main contract signed with the client or by modifications or additional ones approved by the client, or those services that, although not approved, are deemed highly probable to be recovered.

Price revisions recognised in the initial contract signed with the client are recognised as income at the time of accrual, regardless of whether they have been approved annually by the client, considering that they are committed in the contract.

4.11.5 Other revenue and expenditure

- Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash flows over the expected life of the financial asset to that asset's carrying amount.

- Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

- Government grants related to property, plant and equipment are recognised in the consolidated balance sheet as deferred income when the Group has satisfied the conditions established for their award and, consequently, there are no reasonable doubts as to their collection. These grants are allocated to income, with a credit to "Other Operating Income" in the consolidated income statement, systematically over the years of useful life of the assets, for which the grants were provided.

  Grants awarded for the purpose of covering or financing expenses incurred by the Group are recognised as income in the periods in which the related expenses are incurred once the conditions have been met.

- An expense is recognised in the consolidated income statement when there is a decrease in the future economic benefit related to a reduction of an asset, or an increase in a liability, which can be measured reliably. This means that an expense is recognised simultaneously to the recording of the increase in a liability or the reduction of an asset.

- An expense is recognised immediately when a disposal does not produce future economic benefits nor meets accounting criteria to be recorded as an asset.

- Likewise, an expense is recognised when a liability is incurred and no asset is recognised, as in the case of a liability relating to a guarantee

4.12 Borrowing Costs

Borrowing costs directly attributable to the construction or production of property developments or investment property, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. If borrowings have been obtained specifically for the construction of such assets, the interest and the other capitalised finance charges relate to the actual costs incurred in the year, less the income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets. To the extent that funds have been borrowed generally, the amount of borrowing costs eligible for capitalisation is determined by applying the capitalisation rate that relates to the weighted average of the borrowing costs applicable to the average borrowings outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

However, the capitalisation of borrowing costs is suspended during extended periods in which active development of a qualifying asset is suspended.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred, on an accrual basis, using the effective interest method.

4.13 Foreign Currency

The Group's functional currency is the Euro. Therefore, all balances and transactions denominated in currencies other than the euro are deemed to be "foreign currency balances and transactions".

On consolidation, the balances in the financial statements of the consolidated companies with a functional currency other than the Euro are translated to Euros as follows:

1. Assets and liabilities are translated to Euros at the exchange rates prevailing on the balance sheet date.

2. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly.

3. Equity is translated at the historical exchange rates.

4. Any Conversion differences arising are classified separately in equity. Such Conversion differences are recognised as income or as expenses in the year in which the foreign operation is realised or disposed of.

Goodwill arising on the acquisition of a foreign company is treated as an asset of the foreign company and is translated at the closing rate. Goodwill and fair value adjustments generated in the acquisition of a foreign entity are recorded as assets and liabilities of the foreign entity and are converted according to the currency rate at closing date.

The detail of the main companies which contribute assets and liabilities denominated in currencies other than the Euro is as follows:

Company	Address	Activity
Constructora San José Cabo Verde, S.A.	Cape Verde	Construction
Constructora San José Argentina, S.A.	Buenos Aires (Argentina)	Construction
Tecnoartel Argentina, S.A.	Buenos Aires (Argentina)	Holding
Carlos Casado, S.A.	Buenos Aires (Argentina)	Agricultural productions
Sucursal de Constructora San José en Argentina	Buenos Aires (Argentina)	Construction
Hospes Brasil Participaciones e Empreendimientos Lda.	Brazil	Construction and Real Estate Development
Aprisco Salvador Inv. Hoteleiros e Imobiliários, Ltda.	Brazil	Construction and Real Estate Development
Concesionaria San José - Tecnocontrol, S.A.	Santiago de Chile (Chile)	Hospital Construction and Management
San José Tecnologías Chile Limitada	Chile	Construction
Inversiones San José Chile, Lda.	Santiago de Chile (Chile)	Holding
Inversiones San José Andina, Ltda.	Santiago de Chile (Chile)	Holding
San Jose India Infraestructure & Construction Private Limited	Nueva Delhi (India)	Construction
San José Construction Group, Inc	Washington (US)	Construction
San José Inmobiliaria Perú, S.A.C.	Lima (Peru)	Construction
San José Perú Constructora, S.A.	Lima (Peru)	Construction
Parsipanny Corp. S.A.	Uruguay	Agricultural productions
Agropecuaria de El Chaco, S.A.	Paraguay	Agricultural productions
Casado Agropecuaria, S.A.	Paraguay	Agricultural productions
Sucursal de Constructora San José, S.A. en México	Mexico	Construction
Sucursal de Constructora San José, S.A. en Perú	Peru	Construction
Sucursal de Constructora San José, S.A. en Abu Dhabi	Abu Dhabi	Construction
SJ Contracting, LLC.	Abu Dhabi	Construction
Consorcio Hospital Carlos Cisternas de Calama S.A.	Chile	Construction
San José Nuevos Proyectos Salud Limitada	Chile	Construction
Sociedad Concesionaria Penitenciario de Talca, S.A.	Chile	Infrastructure concessions

None of these countries, with the exception of Argentina (see Note 2.3), are considered to be hyper-inflationary economies as defined by IAS 29 - “Financial reporting in hyperinflationary economies”

4.14 Profit (Loss) from operations

"Profit (Loss) from Operations" in the consolidated income statement includes the profits and losses from the Group companies' ordinary operations, excluding the financial loss and the share of results in associates.

4.15 Income tax

The income tax expense of the Spanish companies and the taxes of a similar nature applicable to the consolidated foreign companies are recognised in the consolidated income statement, except when they arise from a transaction whose results are recognised directly in equity, in which case the related tax is also recognised in equity.

The income tax expense represents the sum of the current tax expense and the changes in the deferred tax assets and liabilities recognised (see Note 20).

The difference, if any, between the taxable profit or tax loss and the tax income or expense recognised is treated as a deferred tax asset or liability, as applicable. A deferred tax liability is one that will generate a future obligation

for the Group to make a payment to the related tax authorities. A deferred tax asset is one that will generate a right for the Group to a refund or to make a lower payment to the related tax authorities in the future.
The Group's liability for current income tax is calculated using tax rates which have been approved on the balance sheet date.

Tax assets relating to tax credits and tax relief and tax loss carry forwards are amounts that, after performance of the activity or obtainment of the profit or loss giving entitlement to them, are not deducted for tax purposes in the related tax return until the conditions for doing so established in the related tax regulations are met. The Group considers it probable that they will be deducted in future periods.

Deferred tax assets and liabilities are taxes expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the related tax bases used in the calculation of the taxable profit or tax loss. Deferred tax assets and liabilities are accounted for using the balance sheet liability method and are measured by applying to the related temporary difference or tax asset the tax rate that is expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences. A deferred tax liability is recognised for taxable temporary differences arising from investments in subsidiaries and associates and from interests in joint ventures, except when the Group is able to control the reversal of the temporary differences and it is probable that these differences will not reverse in the foreseeable future.

Notwithstanding the foregoing:

1. Deferred tax assets arising from temporary differences, tax credits, tax relief and tax loss carry forwards, if any, are recognised to the extent that it is considered probable that the consolidated companies will have sufficient future taxable profits against which they can be utilised; and

2. No deferred tax liabilities are recognised for non-deductible goodwill arising on an acquisition.

The deferred tax assets and liabilities recognised are reassessed at each balance sheet date in order to ascertain whether they still exist, and the appropriate adjustments are made on the basis of the findings of the analyses performed.

Since 1 January 2006, the Parent forms an integral part of the consolidated tax group. At 31 December 2024, the following SANJOSE group companies filed consolidated tax returns, acting "Grupo Empresarial San Jose, S.A." as the head of the consolidated tax group:

- Constructora San José, S.A.
- Cartuja Inmobiliaria, S.A.U.
- Desarrollos Urbanísticos Udra, S.A.U.
- Inmobiliaria Americana de Desarrollos Urbanísticos, S.A.U.
- Tecnocontrol Servicios, S.A.U.
- Basket King, S.A.U.
- Arserex, S.A.U.
- Comercial Udra, S.A.U.
- Udramedios, S.A.U.
- Cadena de Tiendas, S.A.U.
- Trendy King, S.A.U.
- Outdoor King, S.A.U.
- Athletic King, S.A.U.
- Vision King S.A.U.
- Running King, S.A.U.
- Enerxías Renovables de Galicia, S.A.
- Xornal de Galicia, S.A.U.
- San José Concesiones y Servicios, S.A.U.

- San José Energía y Medioambiente, S.A.U.
- Poligeneraciones Parc de L'Alba, S.A.
- GSJ Solutions, S.L.U.
- Fotovoltaica el Gallo 10, S.L.

Further, as from 1 January 2015, the associate "Erainkuntza Birgaikuntza Artapena, S.L.U." has become the Parent of a consolidation tax group under the tax regime of the Basque Country, which also includes "Alexín XXI, S.A.U." within its scope of consolidation:

4.16 Provisions

When preparing its consolidated financial statements, the SAN JOSE Group made a distinction between:

1. Provisions: credit balances covering present obligations at the balance sheet date arising from past events which could give rise to a loss for the companies, which is certain as to its nature but uncertain as to its amount and/or timing; and

2. Contingent liabilities: possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more future events not wholly within the control of the consolidated companies.

The Group's consolidated financial statements include all the material provisions with respect to which it is considered that it is more likely than not that the obligation will have to be settled. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, as required by IAS 37 - “Provisions, Contingent Liabilities and Contingent Assets”.
.
Provisions are quantified on the basis of the best information available on the consequences of the event giving rise to them and are reviewed and adjusted at the end of each year. Provisions are also used to cater for the specific obligations for which they were originally recognised. Provisions are fully or partially reversed when such obligations cease to exist or are reduced.

Main provisions of the Group by type are as follows:

4.16.1 Provisions for completion of construction projects and warranty costs

Provisions for the completion of construction projects are recognised for the estimated amount required to meet the expenses necessary for the completion of the property developments in progress or works executed Provisions for warranty costs required under Spanish regulations governing real estate companies are recognised at the date of sale of the relevant products, based on the best estimate of the expenditure required to settle the Group's liability (see Note 15). However, the Group has taken out insurance policies to cover the potential risks arising from the ten-year warranty.

4.16.2 Litigation and/or claims in process

At the end of 2024 certain litigation and claims were in process against the consolidated companies arising from the ordinary course of their operations. The Group's legal advisers and the Parent's directors consider that the outcome of litigation and claims will not have a material effect on the consolidated financial statements for the years in which they are settled.

4.17 Termination benefits

Under the legislation in force in each case, the Spanish consolidated companies and certain Group companies located abroad are required to pay termination benefits to employees terminated without just cause. There are no redundancy plans making it necessary to recognise a provision in this connection.

Also, the Company has recognised sufficient provisions under "Other Current Liabilities" on the liability side of the accompanying consolidated balance sheet at 31 December 2024 to meet the contract termination costs of temporary employees in accordance with legal provisions.

Provisions for restructuring costs are recognised when the Group has a detailed formal plan for the restructuring that has been communicated to affected parties.

4.18 Classification of current assets and liabilities

In the consolidated balance sheet, assets and liabilities expected to be recovered, used or settled within twelve months from the balance sheet date are classified as current items, except for inventories, which are presented in full under "Current Assets" in the consolidated balance sheet, since it is expected that they will be realised in the normal course of the building plot and property sale business, and the liabilities associated with inventories (borrowing costs and customer advances), which are presented under "Current Liabilities" in the consolidated balance sheet, regardless of their maturity. Prior to year-end, if a liability does not give the Group an unconditional right to defer the settlement for at least twelve months from the balance sheet date, the liability is classified as a current item (see Note 16).

Financial liabilities might be classified as current liabilities in the consolidated balance sheet, as they finance the current property assets.

4.19 Transactions with associates

Grupo SAN JOSE executes all transactions with associates at market price. In addition, transfer prices are borne appropriately, and therefore, Company Directors believe there are any significant risks in this regard for any potential substantial liabilities arising in the future.

4.20 Assets of natural environment

Assets of natural environment are those which are used for the Group's business activity and whose main goal is to minimise environmental impact and protection of the environment, as well as the reduction and elimination of future pollution.

Grupo SANJOSE considers the preservation of the environment and sustainable development as fundamental premises within its strategic lines of business.

Due to the type of activity carried out by Group Companies, as well as the concern and awareness measures implemented internally so as to minimise the environmental impact, the Group has no expenses, assets, provisions or contingencies of an environmental nature. that could be significant in relation to equity, financial position and profit/(loss) for the year (see Note 25).

4.21 Consolidated cash flow statement

The following terms are used in the consolidated cash flow statements, which was prepared using the indirect method, with the meanings specified:

1. Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

2. Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.

3. Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

4. Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Group companies that are not operating activities.

5. Earnings per share

5.1 Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the shareholders of the parent company (after tax and minority interests) by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held in the year. Accordingly:

	Year 2024	Year 2023	Changes
Net profit/(loss) for the year attributable to the Parent (thousands of Euros)	33,023	19,944	13,079
Weighted average number of shares (shares)	65,026,083	65,026,083	-
Basic profit/(loss) per share (Euros/Share)	0.51	0.31	0.20

5.2 Diluted earnings per share

There is no potential dilutive effect derived from stock options, warrants, convertible debt or other instruments as of 31 December 2024 and 31 December 2023.

6. Segment information

6.1 Basis of segmentation

According to IFRS 8, operating segments are components of an entity for which separate financial information is available that is regularly evaluated by the highest authority in making operating decisions to decide how to allocate resources and to evaluate performance.

The business lines described below were established on the basis of the organisational structure of Grupo SAN JOSE, at 2024 year-end, taking into account, on the one hand, the nature of the goods and services offered and, on the other, the customer segments at which they are targeted.

In years 2024 and 2023, the Grupo engaged mainly in the following major lines of business, which were the basis for the Group's primary segment reporting:

1. Construction: includes the different activities related to construction, whether in civil engineering, building or industrial works contracts.

2. Real estate development and urban development: includes operations related to the purchase and holding of land reserves or other real estate assets, the development of real estate or urban development projects, the sale of land, the development and sale of real estate assets, and the management of real estate investments and their rental to third parties.

3. Energy activity: mainly includes the development of energy projects, as well as the production and sale of electricity, heat or other energy.

4. Concessions and services: mainly includes activity related to infrastructure maintenance contracts (roads and other transport routes, hospitals, sports centres, offices, etc.), as well as urban cleaning services, garden maintenance and others.

Likewise, income and expenses that cannot be specifically attributed to any operating line, as well as consolidations adjustments are recorded under "Adjustments and Others".

On the other hand, the Group's operations are located mainly in Spain, Portugal, South America (Argentina, Chile, Peru, Paraguay, Brazil and Mexico), the USA, Africa (Cape Verde), and Asia (India and United Arab Emirates).

6.2 Basis and methodology for segment reporting

Ordinary income attributed to a segment corresponds to the income contributed to the Group by the different units included in said segment, as well as the corresponding proportion of ordinary income from joint businesses consolidated by the proportional integration method.

Additionally, within the financial profit/(loss), income from interest and dividends, benefit from the disposal of investments or from operations of redemption or extinction of debt, as well as the ordinary income by segments, the participation in the profit/(loss) of associated entities and businesses groups that are consolidated by the equity method, recognised by the units that are integrated in each of the segments, are included.

Segment expense is expense resulting from the segment's operating activities that are directly attributable to the segment. Segment expense includes the share of the expenses of proportionately consolidated joint ventures.

The segment's results are presented before any adjustments relating to the consolidation process, which are included in the "Adjustments and Others" column.

Segment assets and liabilities are those directly related to the operations of the segments and include the proportional part relating to joint ventures. Segment liabilities do not include income tax liabilities.

Segment information about these businesses is presented below.:

Year 2024:

	Thousands of Euros					
	Construction	Real estate and property development	Energy	Concessions and Services	Adjustments and other	TOTAL
Net Revenues:						
External sales	1,431,416	7,629	10,143	77,131	31,447	**1,557,766**
Inter-segment sales	3,303	-	-	2,378	(5,681)	**-**
Net Revenues:	**1,434,719**	**7,629**	**10,143**	**79,509**	**25,766**	**1,557,766**
EBITDA	**59,842**	**1,022**	**2,232**	**4,127**	**6,919**	**74,142**
Amortisation	(11,708)	(6)	(1,125)	(686)	(609)	**(14,134)**
Provisions	(9,044)	(1,344)	92	(308)	(119)	**(10,723)**
Impairment and Profit/(Loss) after disposal	(620)	-	(78)	6	-	**(692)**
PROFIT/(LOSS) FROM OPERATIONS	**38,470**	**(328)**	**1,121**	**3,139**	**6,191**	**48,593**
Financial income	13,655	1,267	77	1,794	(180)	**16,613**
Financial costs and similar expenses	(3,909)	(318)	(389)	(236)	(2,025)	**(6,877)**
Translation differences and other	(8,857)	323	-	236	(1,878)	**(10,176)**
Adjustment for inflation in hyperinflationary economies	(123)	(1,069)	-	-	1,147	**(45)**
Profit/(loss) from associates	(538)	(23)	-	(2)	(41)	**(604)**
Profit/(Loss) before tax	**38,698**	**(148)**	**809**	**4,931**	**3,214**	**47,504**
Income Tax	(17,873)	(463)	175	(371)	3,425	**(15,107)**
Profit/(Loss) for the year	**20,825**	**(611)**	**984**	**4,560**	**6,639**	**32,397**

Year 2023:

	Thousands of Euros					
	Construction	Real estate and property development	Energy	Concessions and Services	Adjustments and other	TOTAL
Net Revenues:						
External sales	1,197,691	15,508	14,496	72,338	35,802	**1,335,835**
Inter-segment sales	7,692	-	-	2,411	(10,103)	**-**
Net Revenues:	**1,205,383**	**15,508**	**14,496**	**74,749**	**25,699**	**1,335,835**
EBITDA	**39,863**	**3,939**	**3,721**	**3,182**	**11,277**	**61,982**
Amortisation	(9,478)	(4)	(1,129)	(650)	(576)	**(11,837)**
Provisions	(8,987)	266	124	(2,018)	(168)	**(10,783)**
Impairment and Profit/(Loss) after disposal	5	-	(640)	100	1	**(534)**
PROFIT/(LOSS) FROM OPERATIONS	**21,403**	**4,201**	**2,076**	**614**	**10,534**	**38,828**
Financial income	6,794	1,156	1,123	3,336	116	**12,525**
Financial costs and similar expenses	(3,450)	(171)	(1,022)	(197)	(2,146)	**(6,986)**
Translation differences and other	(7,875)	(273)	(652)	238	(722)	**(9,284)**
Adjustment for inflation in hyperinflationary economies	(705)	(2,337)	-	-	457	**(2,585)**
Profit/(loss) from associates	(562)	(81)	-	-	-	**(643)**
Profit/(Loss) before tax	15,605	2,495	1,525	3,991	8,239	**31,855**
Income Tax	(7,841)	(1,861)	(829)	(721)	809	**(10,443)**
Profit/(Loss) for the year	**7,764**	**634**	**696**	**3,270**	**9,048**	**21,412**

Sales between segments are made at market prices, amounting to EUR 5,681 thousand and EUR 10,103 thousand during 2024 and 2023, respectively. Additionally, under the item "Adjustments and others", during years 2024 and 2023, an amount of EUR 31,447 thousand and EUR 35,802 thousand, respectively, is included in relation to sales corresponding to other activities (mainly sales by the companies in the commercial subgroup).

The Group presents its results in accordance with the applicable accounting standards (see Note 2.1). However, directors believe that certain alternative performance measures (MARs) reflect the true and fair view of its financial information and provide useful additional financial information used in the management of the business and that shall be considered to adequately assess performance of the group.

Among others, the Group identifies EBITDA as MARs, defining it as the gross operating result, calculated from operating income, excluding depreciation, provisions and impairment provided or reverted during the period, as well as the result from disposal of fixed assets and income from subsidies received.

Information regarding the amount of assets and liabilities contributed to the Group by the defined segments is as follows:

<u>*Year 2024:*</u>

	Thousands of Euros					
	Construction	**Real estate and property development**	**Energy**	**Concessions and Services.**	**Adjustments and other**	**TOTAL**
Balance sheet:						
Non-current assets:						
Intangible assets	8,689	1,601	13,294	7	1	**23,592**
Property, plant and equipment	23,134	3	7,484	1,571	56,995	**89,187**
Real estate investments	-	17,964	88	-	2	**18,054**
Deferred tax assets	4,780	549	1,230	1,624	10,760	**18,943**
Other	16,818	47,666	8	9,534	515	**74,541**
Current assets:						
Inventories	16,032	56,748	-	51	14,959	**87,790**
Receivables	455,346	1,954	2,097	21,858	17,488	**498,743**
Other current assets	1,249	120	57	1,060	54	**2,540**
Short-term financial investments	8,097	-	1	929	571	**9,598**
Cash and cash equivalents	404,447	23,827	7,397	36,882	8,553	**481,106**
Total Assets						
In Spain	719,139	82,109	31,656	20,686	42,176	**895,766**
In foreign countries	219,453	68,323	-	52,830	67,722	**408,328**
Total Assets	**938,592**	**150,432**	**31,656**	**73,516**	**109,898**	**1,304,094**
Non-current liabilities:						
Long-term payables	3,191	97,099	-	223	2,324	**102,837**
Deferred tax liabilities	6,778	6,991	1,378	1,160	776	**17,083**
Other non-current liabilities	31,809	163	1,470	10,938	1,449	**45,829**
Current liabilities:						
Short-term debts	6,636	13	161	186	6,329	**13,325**
Trade payables	803,241	2,084	2,474	13,757	12,307	**833,863**
Other current liabilities	25,346	712	417	7,220	4,761	**38,456**
Total Liabilities						
In Spain	734,888	94,706	5,900	10,529	19,761	**865,784**
In foreign countries	142,113	12,356	-	22,955	8,185	**185,609**
Total Liabilities	**877,001**	**107,062**	**5,900**	**33,484**	**27,946**	**1,051,393**
Additions to fixed assets:						
In Spain	11,393	-	292	326	473	**12,484**
In foreign countries	3,206	88	-	256	869	**4,419**
	14,599	**88**	**292**	**582**	**1,342**	**16,903**

Year 2023

	Thousands of Euros					
	Construction	Real estate and property development	Energy	Concessions and Services	Adjustments and other	TOTAL
Balance sheet:						
Non-current assets:						
Intangible assets	8,383	1,601	15,470	9	1	**25,464**
Property, plant and equipment	20,276	-	8,013	1,764	52,736	**82,789**
Real estate investments	-	11,634	45	-	3	**11,682**
Deferred tax assets	4,578	776	1,101	577	11,360	**18,392**
Other	16,932	22,742	9	7,844	(5,166)	**42,361**
Current assets:						
Inventories	11,417	53,367	244	30	12,431	**77,489**
Receivables	415,537	1,513	1,389	19,719	25,211	**463,369**
Other current assets	2,330	78	59	702	82	**3,251**
Short-term financial investments	3,905	113	1	879	21	**4,919**
Cash and cash equivalents	326,396	24,046	7,524	27,314	21,484	**406,764**
Total Assets						
In Spain	596,045	56,379	31,702	17,709	44,899	**746,734**
In foreign countries	213,709	59,491	2,153	41,129	73,264	**389,746**
Total Assets	**809,754**	**115,870**	**33,855**	**58,838**	**118,163**	**1,136,480**
Non-current liabilities:						
Long-term payables	2,519	95,532	-	355	2,470	**100,876**
Deferred tax liabilities	3,993	5,072	1,402	1,524	259	**12,250**
Other non-current liabilities	26,516	169	1,391	10,948	1,454	**40,478**
Current liabilities:						
Short-term debts	7,064	18	1,691	360	4,406	**13,539**
Trade payables	693,885	2,512	2,042	12,513	3,018	**713,970**
Other current liabilities	26,190	(10)	497	7,169	4,603	**38,449**
Total Liabilities						
In Spain	615,956	93,188	6,878	9,994	14,136	**740,152**
In foreign countries	144,211	10,105	145	22,875	2,074	**179,410**
Total Liabilities	**760,167**	**103,293**	**7,023**	**32,869**	**16,210**	**919,562**
Additions to fixed assets:						
In Spain	10,707	-	274	350	1,238	**12,569**
In foreign countries	2,794	29	-	698	469	**3,990**
	13,501	**29**	**274**	**1,048**	**1,707**	**16,559**

As of 31 December 2024, the item "Adjustments and others" includes assets and liabilities of the Group's productive units not included within the operational segmentation amounting to EUR 106,724 thousand and EUR 27,946 thousand, respectively (EUR 103,313 thousand and EUR 16,210 thousand at 31 December 2023).

There are no significant non-operating assets.

The following table provides breakdown on several consolidated balances of the Group according to geographical distribution of arising entities:

	Thousands of Euros					
	Net Revenue		Total asets		Additions to property, plant and aquipment and investment property	
	2024	2023	2024	2023	2024	2023
Spain	1,306,010	1,091,662	895,766	746,734	12,484	12,569
Portugal	138,075	138,842	115,796	101,142	1,878	1,208
Cape Verde	20,204	3,855	14,738	21,774	57	5
Argentina	3,133	3,468	49,443	31,849	106	132
Paraguay	2,501	7,265	52,126	51,344	839	454
The United States	2,498	-	7,728	7,122	317	470
Peru	11,150	22,009	37,162	39,534	583	248
Brazil	-	-	3,859	4,101	-	-
France	-	-	8	218	-	-
Germany	-	-	1,231	1,294	-	-
Malta	-	-	-	17	-	-
Italy	2,684	526	3,900	2,355	122	199
Chile	50,354	59,770	85,834	97,655	475	999
India	911	28	2,038	1,923	-	207
Abu Dhabi	558	4,546	17,416	22,015	21	36
Nepal	-	-	-	2	-	-
Timor	-	-	1	1	-	-
Mozambique	-	-	-	42	-	-
Mexico	19,688	3,864	17,048	7,358	21	32
TOTAL	**1,557,766**	**1,335,835**	**1,304,094**	**1,136,480**	**16,903**	**16,559**

Note 2.3 of the accompanying consolidated Notes includes a list of the main countries where the Group operates in a currency other than the Euro. From total assets of the Group at 31 December 2024 and 2023, EUR 287,393 thousand and EUR 284,720 thousand, respectively, correspond to assets in currency other than the Euro. Likewise, from total revenue for years 2024 and 2023 the activity developed in said countries amounts to EUR 110,997 thousand and EUR 104,805 thousand, respectively.

7. Intangible assets

This item includes investments associated to the Group's concessions and licences.

The detail in the consolidated balance sheets at 31 December 2024 and 2023 is as follows:

Year 2024:

	Thousands of euros					
	Balance at 31/12/2023	Additions / Provisions	Disposals	Transfers	Translation differences	Balance at 31/12/2024
Concessions	**22,364**	247	(17)	-	-	**22,594**
Patents, licences and trade marks	**1,778**	-	(1,350)	-	(122)	**306**
Other intangible assets	**7,049**	46	-	(1)	(165)	**6,929**
Total expense	**31,191**	**293**	**(1,367)**	**(1)**	**(287)**	**29,829**
Concessions	**(9,854)**	(543)	-	-	-	**(10,397)**
Patents, licences and trade marks	**-**	-	-	-	-	**-**
Other intangible assets	**(5,193)**	(133)	-	-	166	**(5,160)**
Total Accumulated Amortisation	**(15,047)**	**(676)**	**-**	**-**	**166**	**(15,557)**
Total Accumulated Impairment	**(664)**	-	-	-	-	**(664)**
Net carrying amount	**15,480**	**(383)**	**(1,367)**	**(1)**	**(121)**	**13,608**

Year 2023:

	Thousands of euros					
	Balance at 31/12/2022	**Additions / Provisions**	**Disposals**	**Transfers**	**Translation differences**	**Balance at 31/12/2023**
Concessions	**22,585**	224	(616)	172	(1)	**22,364**
Patents, licences and trade marks	**2,307**	-	(395)	-	(134)	**1,778**
Other intangible assets	**7,173**	4	(1)	37	(164)	**7,049**
Total expense	**32,065**	**228**	**(1,012)**	**209**	**(299)**	**31,191**
Concessions	**(9,129)**	(553)	-	(172)	-	**(9,854)**
Patents, licences and trade marks	**-**	-	-	-	-	**-**
Other intangible assets	**(5,222)**	(135)	-	-	164	**(5,193)**
Total Accumulated Amortisation	**(14,351)**	**(688)**	**-**	**(172)**	**164**	**(15,047)**
Total Accumulated Impairment	**(664)**	-	-	-	-	**(664)**
Net carrying amount	**17,050**	**(460)**	**(1,012)**	**37**	**(135)**	**15,480**

At 31 December 2024, the Group's main intangible assets are those associated with concession contracts which, in application of IFRIC 12 - "Service concession arrangements" (see Note 4.2), irrespective of their nature, are recognised under this heading in the consolidated balance sheet. Specifically, the following should be highlighted:

- Elements of construction and technical installations constituting the polygeneration plant for electrical energy, heating and cooling of the Group company "Poligeneración Parc de l'Alba ST-4, S.A.", located in the "Centro Direccional de Cerdanyola del Valles" (Barcelona) Partial Plan, recorded at a net cost at 31 December 2024 and 2023 of EUR 10,217 thousand and EUR 10,653 thousand, respectively. The Group had been granted a *project finance loan*, which has been fully amortised during the 2024 financial year (the amount pending amortisation as of 31 December 2023 totalled EUR 1,371 thousand (see note 16.1).

  For these facilities, there is a multi-year technical shutdown and maintenance plan foreseen throughout the life of the concession. Non-current liabilities in the Group's consolidated balance sheet include a provision which, on an accruals basis, reasonably covers the expected costs (see Note 15).

- Leasing rights for a period of 25 years, arising from the stake of the Group in "Fotovoltaica el Gallo 10, S.L." referred to the use of land where the PV plant is located are recorded at 31 December 2024 and 2023 for a total amount of EUR 1,526 thousand and EUR 1,657 thousand, respectively.

Main additions during 2024 and 2023 refer to expenses incurred into in the promotion and development of wind and photovoltaic farms, mainly in Spain and Chile.

Under "Patents, licences and similar" the Group records the cost incurred in the development of energy projects which, at the current date, are in progress. The cost incurred at 31 December 2024 amounts to Euros 306 thousand (Euros 1,778 thousand at 31 December 2023).

The main retirements during 2024 and 2023 relate to adjustments to the cost capitalised at 31 December 2023 and 2022, justified by a worsening of expectations for the success of the projects. These adjustments have been fully recognised in the consolidated income statement for the year (see Note 22.9).

At 31 December 2024 there are no significant investment commitments in intangible assets. As for the closing of years 2024 y 2023, there were fully amortised assets in use, whose total cost amounted to 1,2 and 1.3 million euros, respectively.

8. Goodwill

Breakdown of the item "Goodwill" in the consolidated balance sheet, based on the companies that originated it as of 31 December 2024 and 2023, is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Cartuja Inmobiliaria, S.A.U.	600	600
San José Perú Inmobiliaria, S.A.	1,601	1,601
Constructora San José, S.A.	7,662	7,662
Others	121	121
Total	**9,984**	**9,984**

According to the estimates and projections available to the Directors of the Group, the estimated revenue attributable to the Group of these companies adequately supports the carrying amount of goodwill allocated to the relevant registered CGUs. Likewise, the sensitivity of executed impairment tests allows deviations of key hypothesis (increase of sales, operating margin and discount rates) within standardised margin, without identifying impairment.

The most important goodwill is that referring to the associate "Constructora San José, S.A", Entirely concerned with the construction activity, representing 77% total goodwill of the Group. At 31 December 2024, the key assumptions on which the Group's management has based its cash flow projections for the valuation of the cash generating unit (CGU) representing this society, are as follows:

- Sales: total construction revenue is distributed among countries where the Group operates, based on the current activity and contracted portfolio (short and medium term) and the guidelines established in the business plan Group (medium and long term), assuming an average annual growth of total construction activity for the period of [2,5-5,5] %.

- For the discount of the projected cash flows a rate based on the weighted average cost of capital (WACC) is calculated. The Group uses a risk-free rate taking as reference the 5-year bond, depending on the location, and a market premium based on recent studies of long-term premiums used by analysts for the business and geographical areas where it operates. At 31 December 2024, the discount rate used by the Group in the UGE of "Constructora San José, S.A." is 7.5%.

- A 0% growth rate envisaged in perpetuity is considered.

- EBITDA margin relatively stable in the short term, standing at levels of 4.0%, increasing in the medium and long term, stabilising at levels of [4.5-6.0]%.

- Potential capital gains from the sale of real estate assets or income and benefits of urban development activity have not been considered in this cash generating unit.

The projections used by directors are conservative and in line with the SANJOSE Group's Business Plan, in accordance with the most recent commercial projections, which take into account the situation of the contracted portfolio, the historical evolution of recent years, as well as the situation of financial stability that has characterized the Group in recent years.

Likewise, revenue and margin projections have been draft using external resources from recognised international prestige, such as the International Monetary Fund, and information regarding plans for public investment in infrastructure in the coming years of the main countries where the Group operates.

The result of the impairment test of goodwill associated with CGU, conducted by the Group's management team at year-end 2024, shows a significant surplus of the recoverable amount over the carrying amount of the CGU, and basis said calculation in pessimistic scenarios that contemplate a reduction of 3 and 2.5 percentage points in growth and margin for the coming years, respectively, and an increase in the applied discount rate of 0.5 percentage points, without having to record any deterioration.

9. Property, plant and equipment

Changes in 2024 and 2023 under "Property, Plant and Equipment" in the consolidated balance sheet were as follows:

Year 2024:

	Thousands of Euros					
	Balance at 31/12/2023	Additions / Provisions	Disposals	Transfers	Translation differences and other	Balance at 31/12/2024
Cost:						
Land and buildings	**74,125**	2,916	(3,044)	-	3,656	**77,653**
Plant and machinery	**52,510**	11,245	(8,130)	(796)	242	**55,071**
Other items of property, plant and equipment	**27,565**	2,327	(1,494)	814	546	**29,758**
Ongoing property, plant and equipment	**113**	40	(36)	(3)	-	**114**
Total expense	**154,313**	**16,528**	**(12,704)**	**15**	**4,444**	**162,596**
Accumulated amortisation:						
Land and buildings	**(12,928)**	(2,356)	3,051	23	(204)	**(12,414)**
Plant and machinery	**(35,822)**	(9,109)	8,123	(15)	(253)	**(37,076)**
Other items of property, plant and equipment	**(22,760)**	(1,970)	1,386	(8)	(558)	**(23,910)**
Total Accumulated Amortisation	**(71,510)**	**(13,435)**	**12,560**	**-**	**(1,015)**	**(73,400)**
Total Accumulated Impairment	**(14)**	-	-	(9)	14	**(9)**
Net carrying amount	**82,789**	**3,093**	**(144)**	**6**	**3,443**	**89,187**

Year 2023:

	Thousands of Euros					
	Balance at 31/12/2022	Additions / Provisions	Disposals	Transfers	Translation differencesand other	Balance at 31/12/2023
Cost:						
Land and buildings	**70,209**	2,943	(2,008)	5,771	(2,790)	**74,125**
Plant and machinery	**47,653**	9,291	(3,670)	-	(764)	**52,510**
Other items of property, plant and equipment	**30,127**	2,946	(4,721)	33	(820)	**27,565**
Ongoing property, plant and equipment	**4,761**	1,122	-	(5,696)	(74)	**113**
Total expense	**152,750**	**16,302**	**(10,399)**	**108**	**(4,448)**	**154,313**
Accumulated amortisation:						
Land and buildings	**(12,798)**	(2,329)	1,969	-	230	**(12,928)**
Plant and machinery	**(32,811)**	(7,260)	3,577	-	672	**(35,822)**
Other items of property, plant and equipment	**(26,667)**	(1,545)	4,649	-	803	**(22,760)**
Total Accumulated Amortisation	**(72,276)**	**(11,134)**	**10,195**	**-**	**1,705**	**(71,510)**
Total Accumulated Impairment	**(56)**	34	-	-	8	**(14)**
Net carrying amount	**80,418**	**5,202**	**(204)**	**108**	**(2,735)**	**82,789**

The main movement in this heading during 2024 and 2023 is the application of IFRS 16 relating to rental contracts, mainly for property and machinery, as follows: i) additions to property, plant and equipment due to new contracts amounting to Euros 10,954 thousand and Euros 9,728 thousand in 2024 and 2023, respectively; ii) reductions in property, plant and equipment due to maturities and/or cancellations amounting to Euros 9,832 thousand and Euros 4,675 thousand in 2024 and 2023, respectively (see Note 22.6).

The remaining additions in the year mainly relate to investments in plant and equipment and other fixed assets made by the Group in the ordinary course of business.

At 31 December 2024 and 2023, investment hold in foreign countries by the Group, detailed by associate is as follows:

	Thousands of Euros			
	31/12/2024		31/12/2023	
	Cost	Accum. Amort.	Cost	Accum. Amort.
Portugal	5,013	(3,388)	5,228	(4,208)
Argentina	7,374	(2,600)	2,789	(1,642)
Paraguay	48,401	(3,035)	47,651	(2,693)
Cape Verde	4,779	(4,623)	4,724	(4,442)
Chile	3,253	(1,993)	3,052	(1,534)
India	200	(71)	378	(189)
Perú	1,825	(1,255)	2,661	(2,574)
Abu Dhabi	958	(939)	2,570	(2,493)
México	137	(128)	140	(127)
Other countries	2,260	(1,780)	1,899	(1,488)
TOTAL	**74,200**	**(19,812)**	**71,092**	**(21,390)**

"Land and buildings" mainly includes a net amount of EUR 44,787 thousand and EUR 44,430 thousand as of 31 December 2024 and 2023, respectively, corresponding to lands of the group through its investee "Carlos Casado, SA", mainly agricultural land in the Paraguayan Chaco. The fair value of these assets, according to an external valuation carried out by an independent expert, exceeds their net book value.

Fair value of own use buildings at 31 December 2024 and 2023 amounts to EUR 32,4 million and EUR 31,4 million, respectively, according to estimates carried by independent valuers (Instituto de Valoraciones, S.A.). Carrying net cost at 31 December 2024 and 2023 amounts to EUR 14,9 million and EUR 15,2 million, respectively.

At the end of the financial years 2024 and 2023, there were fully amortised items in use, with a total cost amounting to EUR 27,9 million and EUR 33,3 million, respectively.

As of 31 December 2024, there are no properties registered as tangible fixed assets as mortgage collateral. Likewise, the Group does not maintain significant investment commitments in property, plant and equipment and no significant repair, maintenance or improvement costs are foreseen for these assets.

The Group takes out insurance policies to cover the possible risks to which its investment property is subject. The Parent's directors consider that the insurance coverage arranged is sufficient.

10. Investment property

The detail of "Investment Property" and changes therein in 2024 and 2023 is as follows:

Year 2024:

	Thousands of Euros				
	Balance at 31/12/2023	**Additions / Provisions**	**Transfers**	**Translation differences**	**Balance at 31/12/2024**
Cost:					
Land and buildings	**30,867**	77	(467)	21,662	**52,139**
Plant and machinery	**2,980**	5	-	2,229	**5,214**
Furniture, tools and other items	**452**	-	-	367	**819**
Total expense	**34,299**	**82**	**(467)**	**24,258**	**58,172**
Accumulated amortisation:					
Buildings	**(18,900)**	(23)	170	(15,072)	**(33,825)**
Technical facilities	**(2,980)**	-	-	(2,234)	**(5,214)**
Furniture, tools and other items	**(452)**	-	-	(367)	**(819)**
Total Accumulated Amortisation	**(22,332)**	**(23)**	**170**	**(17,673)**	**(39,858)**
Total Accumulated Impairment	**(285)**	-	25	-	**(260)**
Net carrying amount	**11,682**	**59**	**(272)**	**6,585**	**18,054**

Year 2023:

	Thousands of Euros				
	Balance at 31/12/2022	**Additions / Provisions**	**Transfers**	**Translation differences**	**Balance at 31/12/2023**
Cost:					
Land and buildings	**44,323**	28	41	(13,525)	**30,867**
Plant and machinery	**4,388**	1	-	(1,409)	**2,980**
Furniture, tools and other items	**684**	-	-	(232)	**452**
Total expense	**49,395**	**29**	**41**	**(15,166)**	**34,299**
Accumulated amortisation:					
Buildings	**(28,218)**	(11)	-	9,329	**(18,900)**
Technical facilities	**(4,388)**	-	-	1,408	**(2,980)**
Furniture, tools and other items	**(684)**	-	-	232	**(452)**
Total Accumulated Amortisation	**(33,290)**	**(11)**	**-**	**10,969**	**(22,332)**
Total Accumulated Impairment	**(285)**	-	-	-	**(285)**
Net carrying amount	**15,820**	**18**	**41**	**(4,197)**	**11,682**

During the 2024 financial year, the Group sold an industrial warehouse for lease, recorded at a net cost of 272 thousand euros, obtaining a positive result, recorded under the heading 'Impairment and gains/(losses) on disposal of fixed assets' in the attached consolidated profit and loss account for the 2024 financial year. In the 2023 financial year, there were no relevant movements.

The cost of the investment property at 31 December 2024 and 2023 includes approximately EUR 17,2 million and EUR 17,4 million respectively, which corresponds to the cost of the land.

As of 31 December 2024 and 2023, there are no real estate assets pledged as collateral for the repayment of bank loans (see note 16.2).

Use or nature of the investment property

Substantially all of the Group's investment property relates to properties earmarked for lease, located mainly in Argentina: Avellaneda, Quilmes and La Tablada Shopping Centres.

The detail of the use or nature of the Group's investment property devoted to leasing purposes at 31 December 2024 and 2023 is as follows:

Lease purpose	2024 Surface for lease (m2)	2024 Percentage	2023 Surface for lease (m2)	2023 Percentage
Adminsitrative buildings	287	0%	287	0%
Shopping Centres	179,529	99%	179,298	98%
Other	2,409	1%	2,545	2%
	182,225	**100%**	**182,130**	**100%**

Income and expenses from rental of investment property

The Group has commercial premises, office building and car park spaces had been leased out to third parties under operating leases.

The detail, by maturity, of the lease payments payable to the Group under the operating leases and subleases contracted for by the Group with third parties at 31 December 2024 and 2023 is as follows:

Term	Thousands of Euros Year 2024	Thousands of Euros Year 2023
Up to a year	798	613
From one to five years	2,403	1,755
More than five years	204	575
	3,405	**2,943**

Calculation has not taken into consideration increase of CPI and, regarding variable rate contracts, amount for year 2024 has been considered.

The Group's rental income in 2024 and 2023 amounts to EUR 2,316 thousand and EUR 1,517 thousand, respectively, recognised under "Revenue" in the accompanying consolidated income statement.

Insurance policy

The Group takes out insurance policies to cover the possible risks to which substantially all its inventories are subject. The Parent's Directors consider insurance coverage arranged to be sufficient.

Fair value of the investment property

Each year the Group commissions studies from independent valuers to determine the fair values of its investment property at the balance sheet date (see Note 4.4).

At 31 December 2024 and 2023, the fair value of real estate investments of the Group arising from the above-mentioned studies amounts to EUR 96,9 million and EUR 89,1 million, respectively; mostly owed to the Group's real estate investments in Argentina. Said amount, at 31 December 2024 and 2023, includes EUR 46,7 million and EUR 44,1 million, respectively, corresponding to real estate investments of associates.

At year-end 2024, the Group has no significant investment commitments in investment property. Likewise, no significant repair, maintenance or improvement costs are foreseen for these assets.

In view of the aforementioned valuation report, in 2024 and 2023 no valuation adjustments of assets registered by the Group as real estate investments was disclosed.

11. Investment in associates and joint ventures

Details by company and movement during 2024 and 2023 are as follows:

Year 2024:

	Thousands of Euros					
	Balance at 31/12/2023	Profit/(Loss) for the year	Additions / Disposals (Note 2.4.d)	Dividends received	Translation differences	Balance at 31/12/2024
Cresca, S.A.	**86**	(41)	-	-	(25)	**20**
Pinar de Villanueva, S.L.	**147**	(3)	-	-	-	**144**
Crea Madrid Nuevo Norte, S.A.	**18,592**	(582)	27,666	-	-	**45,676**
Panamerican Mall, S.A.	**3,994**	562	-	(2,992)	273	**1,837**
CSJ GVK Projects ´n Technical SS. P.L.	**22**	(538)	-	-	768	**252**
Altacus Investments, S.A.	**-**	-	550	-	-	**550**
Cirilla Investments, S.A.	**-**	(1)	500	-	-	**499**
Lysistrata Investments, S.A.	**-**	(1)	675	-	-	**674**
Total	**22,841**	**(604)**	**29,391**	**(2,992)**	**1,016**	**49,652**

Year 2023:

	Thousands of Euros					
	Balance at 31/12/2022	Profit/(Loss) for the year	Additions / Disposals (Note 2.4.d)	Dividends received	Translation differences	Balance at 31/12/2023
Cresca, S.A.	86	-	-	-	-	86
Pinar de Villanueva, S.L.	148	(1)	-	-	-	147
Crea Madrid Nuevo Norte, S.A.	16,880	(391)	2,103	-	-	18,592
Panamerican Mall, S.A.	3,333	311	-	-	350	3,994
CSJ GVK Projects ´n Technical SS. P.L.	62	(562)	-	-	522	22
Total	**20,509**	**(643)**	**2,103**	**-**	**872**	**22,841**

These are companies whose shares are not listed on organised markets.

The main movement in 2024 and 2023 relates to the increase in the cost of the stake in "Crea Madrid Nuevo Norte, S.A.", as a result of the capital increases in this investee company, during fiscal year 2024 (see Note 2.4).

The main activity of the associated company "Crea Madrid Nuevo Norte, S.A." (formerly called "CreaMNN, S.A.") is the urban development of the land comprising the area known as "Prolongación Castellana Norte", in the real estate development areas known as APR 08.03 and APE 05.27, in the municipality of Madrid. Grupo SANJOSE has participated in this company since its constitution, on 25 November 1993. On 29 July 2019, the Plenary Session of the Madrid City Council provisionally unanimously approved the urban project, so-called "Madrid Nuevo Norte" and, finally, on 25 March 2020, the Governing Council of the Community of Madrid definitively approved what will be the most important urban action in the coming years. In December 2024, CreaMNN and the public railway entities (Adif, Adif Alta Velocidad, Rente Operadora and Renfe Ingeniería Y Mantenimiento) have formalised before a notary the transfer of the land of the Chamartín and Fuencarral railway premises, so that the company has acquired the land and urban development rights which, in accordance with the approved planning, will be subject to urban transformation and which exceed one million square metres, representing approximately 50% of the Madrid Nuevo Norte urban regeneration project.

Annex II includes a list of the main ownership interests in associates, detailing name, country and participation percentage. The Group does not consider very relevant the impact on assets, profit or net equity of its participation in these companies. However, next is listed financial information of the main associates of the Group:

At 31 December 2024

	Millions of Euros		
	CMNN	**PM**	**GSJ GVK**
Non-current assets	7.0	306.4	-
Current assets	1508.4	22.5	3.0
Total Assets	**1515.4**	**328.9**	**3.0**
Non-current liabilities	815.0	64.1	-
Current liabilities	243.2	6.6	2.1
Total Liabilities	**1058.2**	**70.7**	**2.1**
Income from ordinary activities	2.2	47.0	0
Profit/(Loss) from continued operations	(5.8)	(96.9)	(1.1)
Profit/(Loss) for the year	(5.8)	(96.9)	(1.1)

At 31 December 2023

	Millions of Euros		
	CMNN	**PM**	**GSJ GVK**
Non-current assets	6.1	279.0	-
Current assets	193.1	9.8	5.3
Total Assets	**199.2**	**288.8**	**5.3**
Non-current liabilities	1.0	72.7	-
Current liabilities	9.0	3.0	4.7
Total Liabilities	**10.0**	**75.7**	**4.7**
Income from ordinary activities	2.8	16.9	0
Profit/(Loss) from continued operations	(3.9)	12.4	(1.1)
Profit/(Loss) for the year	(3.9)	12.4	(1.1)

A summary of the financial information of the main investees included within the accounting records of the Group is provided next:

At 31 December 2024

	Millions of Euros		
	CMNN	**PM**	**CSJ GVK**
Total net equity	457.2	258.2	0.9
% ownership of Grupo SANJOSE	10.00%	20.00%	50.00%
Net carrying amount of the stake (NCV)	45.7	51.6	0.5
Amendments of the NCV and other	-	(49.8)	(0)
Cost of the Groups' stake	**45.7**	**1.8**	**0.3**

At 31 December 2023

	Millions of Euros		
	CMNN	**PM**	**CSJ GVK**
Total net equity	189.2	213.1	0.6
% ownership of Grupo SANJOSE	10.00%	20.00%	50.00%
Net carrying amount of the stake (NCV)	18.9	42.6	0.3
Amendments of the NCV and other	-	(38.6)	(0)
Cost of the Groups' stake	**18.9**	**4.0**	**0.0**

The Group proceeds to homogenise the financial information of the associated companies prior to its consideration. The main effect is that referred to "Panamerican Mall, S.A.", a company that values its investment assets according to the "*fair value*" criterion.

12. Inventories

The detail in the consolidated balance sheets at 31 December 2024 and 2023 is as follows:

Year 2024:

	Thousands of Euros					
	Balance at 31/12/2023	**Additions**	**Disposals**	**Transfers**	**Translation differences and other**	**Balance at 31/12/2024**
Acquired property	**4,899**	-	(5)	-	-	**4,894**
Land and plots of land	**59,852**	785	-	-	5,671	**66,308**
Goods	**6,198**	20,709	(18,645)	-	-	**8,262**
Raw materials and other supplies	**2,984**	5,760	(5,867)	-	145	**3,022**
Developments under construction						
- Short-cycle developments under construction	**6,195**	-	-	(6,487)	292	**-**
- Large-cycle developments under construction	**-**	-	-	-	-	**-**
Other current inventory	**5,783**	4,766	(4,610)	-	635	**6,574**
Completed construction works	**4,304**	930	(3,378)	6,487	(31)	**8,312**
Other finished products	**495**	3,825	(4,157)	-	(9)	**154**
Advances to suppliers	**8,392**	8,646	(3,956)	(14)	(382)	**12,686**
Impairment losses on inventories	**(21,613)**	(927)	45	-	75	**(22,420)**
Total	**77,489**	**44,494**	**(40,573)**	**(14)**	**6,396**	**87,790**

Year 2023:

	Thousands of Euros					
	Balance at 31/12/2022	**Additions**	**Disposals**	**Transfers**	**Translation differences and other**	**Balance at 31/12/2023**
Acquired property	**4,951**	-	(12)	(40)	-	**4,899**
Land and plots of land	**63,440**	150	-	-	(3,738)	**59,852**
Goods	**6,851**	16,612	(17,265)	-	-	**6,198**
Raw materials and other supplies	**4,279**	6,018	(6,500)	(786)	(27)	**2,984**
Developments under construction						
- Short-cycle developments under construction	**4,956**	1,732	(5,420)	4,872	55	**6,195**
- Large-cycle developments under construction	**4,874**	-	-	(4,874)	-	**-**
Other current inventory	**4,953**	3,041	-	(2,669)	458	**5,783**
Completed construction works	**4,673**	-	(369)	-	-	**4,304**
Other finished products	**100**	-	(3,062)	3,453	4	**495**
Advances to suppliers	**10,102**	22,035	(22,403)	(100)	(1,242)	**8,392**
Impairment losses on inventories	**(23,300)**	(446)	2,403	(310)	40	**(21,613)**
Total	**85,879**	**49,142**	**(52,628)**	**(454)**	**(4,450)**	**77,489**

12.1 Acquired property

Main changes recorded under this item correspond to deed of assignment in payment as collection of default rate. The ultimate purpose of the Group is to allocate these properties for sale to third parties in the normal course of operations. Main assets are the following:

- Housing units in Promópolis, in Seville
- Car parking spaces and housing units in Puerto Llano, Ciudad Real.
- Car parking spaces and housing units in Mairena de Aljarafe, Seville.

12.2. Land and plots of land

This account balance corresponds to the acquisition price of several plots of land in their final phase or under urban management at 31 December 2024 and 2023 basically for residential purposes (even though there are also institutional or industrial plots). The Group has planned to allocate them to direct sale or property development.

There were no significant movements in this caption in 2024 and 2023.

At 31 December 2024, this item includes mainly the following plots of land:

1. Plot of land in La Tablada, Seville, with a total surface of 149,619 sqm.
2. Urban plots of land Las Arenas, RP-9 Jalón industrial, Las Raposas II and others in Valladolid, with a surface amounting to 225.000 m2.
3. La Catalana and Pueblo Mediterráneo urban plots of 3,965 and 9,532 m2, respectively, located in Vicálvaro (Madrid) and Manilva (Málaga).
4. A plot of land in Salvador de Bahía, Brazil, devoted to residential purposes, with a total buildable surface amounting to 30.285 m2.
5. La Tablada, located in Buenos Aires - Argentina, for residential and commercial purposes, with as total surface amounting to 808,102 sqm and a buildable surface amounting to 1,650,000 sqm.

At 31 December 2024 and 2023, the Group does not hold land as mortgage hedges.

At 31 December 2024, the Group has a land portfolio with a total area of approximately 1.5 million m2, approximately 69.3% of which is qualified land. The breakdown, according to location, is as follows:

	31.12.2024	31.12.2023
Spain	43.9%	43.9%
Portugal	0.0%	0.0%
Argentina	54.1%	54.1%
Brazil	2.0%	2.0%
TOTAL	**100%**	**100%**

<u>Land purchase commitments</u>

At 31 December 2023, the Group has not signed any promise or option contracts to purchase land and plots. At the end of the 2024 financial year, the Group company 'San José Inmobiliaria Perú, S.A.' has signed two land purchase option contracts for a total amount of 22.8 million USD, with the aim of continuing the construction and development activity that this company has been carrying out in recent years.

As of 31 December 2024, the Group has advances to suppliers totalling 12,686 thousand euros. These refer entirely to payments on account made by the Group to its suppliers in the ordinary course of construction activity, mainly in Spain, Mexico and, Portugal, amounting to EUR 5 million, EUR 3,5 million and EUR 1,8 million, respectively.

12.3 Ongoing development

As of 31 December 2023, this heading mainly included real estate inventories in progress corresponding to the 'Condominio Nuevavista' development that the Group is building and which was completed during the 2024 financial year. As of 31 December 2024, the pending sales related to this development are residual, being fully recorded as finished product. At that date, there are no real estate inventories in progress (see note 12.5). During the 2024 financial year, homes have been delivered with a net cost of EUR 2,856 thousand (EUR 5,420 thousand in 2023).

12.4 Agricultural stocks

These are those associated with the agricultural and livestock business carried on by the Group through the company "Carlos Casado, S.A." and its subsidiaries (Casado Group). These mainly include agricultural and livestock biological assets. The detail is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Raw materials and other supplies	825	832
Other current inventory	5,861	5,354
Other finished products	29	97
TOTAL	**6,715**	**6,283**

The Group's sales from its agricultural and livestock activities in 2024 amount to Euros 2,496 thousand, contributing a positive operating profit of Euros 2,060 thousand (Euros 7,286 thousand and a profit of Euros 2,560 thousand, respectively, in 2023).

At 31 December 2024, the Casado Group companies contribute non-current and current assets to the Group amounting to EUR 52.2 million and EUR 13.8 million, respectively (31 December 2023: EUR 48.2 million and EUR 13.8 million), while non-current and current liabilities amount to EUR 2.5 million and EUR 8.7 million, respectively (31 December 2023: EUR 1.6 million and EUR 5.3 million).

12.5 Completed works

The main property developments included under this item refer to not sold items of the following property developments:

- 111 housing units in Larrein" located in Vitoria- Gasteiz property of the Group company "Alexin XXI, S.L.U".
- "Borinbizcarra" and "62 housing units in Mariturri", for "Eraikuntza, Birgaikuntza Artapena, S.L.U." (EBA).
- "Quinta do Moleao (Lagos)" of the branch office in Portugal of "Constructora San José, S.A.".

During financial years 2024 and 2023, there have been sales totalling EUR 661 thousand and EUR 343 thousand of housing units and garages in the Larrein real estate development.

Additionally, this heading also includes the pending sale of the 'Condominio Nuevavista' development of the Group company 'San José Inmobiliaria Perú, S.A.', completed at the end of the 2024 financial year, in Lima, Peru (see Note 12.3).

Commitment to sell property developments in progress and completed buildings.

At 31 December 2024 and 2023, the Group had entered into private agreements and reservation documents for the sale of property developments in progress and completed buildings at that date, for a total amount of EUR 1,037 thousand and EUR 1,806 thousand respectively. At 2024 and 2023-year-end said date, the Group had received advances from the related customers totalling EUR 248 thousand and EUR 692 thousand, respectively (see Note 18.2).

12.6 Impairment of inventories

Detail of inventories at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Acquired property	2,466	2,312
Land and plots of land	19,426	18,610
Goods	126	242
Completed construction works	402	449
TOTAL	**22,420**	**21,613**

Each year, the Group commissions independent experts to carry out studies to determine the fair values of its property inventories (see Note 4.4).

At 31 December 2024 and 2023, the fair value of the Group's property inventories as derived from the above study amounts to EUR 121,7 million and EUR 127,5 million respectively, with a net impairment of EUR 882 thousand recorded in 2024 (in 2023, the Group recorded a net impairment of EUR 419 thousand) (see Note 22.2).

12.7 Insurance policy

The Group takes out insurance policies to cover the possible risks to which substantially all its inventories are subject. The Parent's Directors consider insurance coverage arranged to be sufficient.

12.8 Issuance rights

The item "Raw materials and other supplies" includes the greenhouse gas emission rights of the Group company "Poligeneració Parc de l'Alba ST-4, S.A.", with the total cost of the rights purchased at 31 December 2024 and 2023 amounting to EUR 511 thousand and EUR 1,209 thousand, respectively, with those corresponding to CO2 emissions for the year, amounting to EUR 553 thousand and EUR 965 thousand in 2024 and 2023, respectively, having been applied to production and pending redemption with the Public Administration.

13. Financial Assets

13.1 Trade and other receivables

This item of the accompanying consolidated balance sheet includes the current value of the amounts pending collection from sales and services rendered by Group companies, and which are the basis of the consolidated operating result.

The detail of Trade receivables for sales and services at 31 December 2024 and 31 December 2023 is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Progress billings receivable and trade receivables for sales and provision of services	281,926	266,355
Executed works pending billing (OEPC)	60,828	57,756
Retentions for guarantees	112,325	96,882
Customers, discounted instruments	27,452	23,609
Impairment (Note 15)	(20,459)	(17,973)
Total	**462,072**	**426,629**
Advances (Note 18.2)	(169,901)	(120,573)
Total net accounts receivable	**292,171**	**306,056**

The Group management considers that the carrying amount of trade and other receivables approximates their fair value.

"Amounts to be billed for executed works (OEPC)" includes the work performed during the year but not yet billed to customers, which is recognised as period revenue in accordance with the method of recognition of revenue for completed construction work (completion of the works), based on the percentage of completion method used by the Group detailed in Note 4.11. To the extent that the accounting criterion adopted by the Group for the recording of sales revenue, for the purpose of calculating the degree of progress, takes into account as total revenue the part of the budget of the work / project duly justified and technically approved, and on which there is no doubt regarding its approval, the amount of the OEPC corresponds entirely to production executed to date associated with properly signed and valid contracts. The total amount of executed work (OEPC) pending certification is made up of the contribution of a large number of works and without, in general, there being any work that contributes a significant amount. In general, the registered OEPC is reversed within a maximum period of between 3 and 6 months through the issuance of the corresponding certification to the client, with no exceptions for significant amounts. The average term of construction contracts of the Groups in 1 and 2 years.

The item "Advances" under current liabilities of the consolidated balance sheet at 31 December 2024 and 2023 includes EUR 158,352 thousand and EUR 101,623 thousand corresponding to "Amounts billed in advance", which are recognised as reduced revenue in accordance with the method of recognition of revenue based on the percentage of completion method (see Note 18.2).

At 31 December 2024 and 2023, the Group does not have loans from clients allocated to financial institutions without recourse.

The Group does not have a significant concentration of credit risk. The amount pending collection from customers at 31 December 2024 and 2023, is very fragmented, between a large number of counterparties and customers, without, in general, there being any customer with a significant amount receivable.

Breakdown of trade receivables from Public Sector Customer and Private Sector Customers at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Public Sector Customers	125,537	122,605
Private Sector Customers	336,535	304,024
	462,072	**426,629**

A part of trade receivables relates to transactions with Public Entities and, mainly, with the State Central Authority. Therefore, the Company considers that credit risk is very low. Regarding private sector customers, the Company has strengthened during the last years the risk policy procedure from contracting (valuation and rating of potential customers, payment requirements, etc.) till regular revision and analysis of the global position and individual analysis of most customers. The result of this analysis is the provision for doubtful collections that covers the estimate of expected loss.

Average collection period for trade receivables is approximately 58 and 64 days for years 2024 and 2023 and no significant changes have been experimented during the same.

The Group has a credit risk management department responsible for mainly the following tasks:

- To analyse the creditworthiness of potential customers and take part in the procurement process.
- To identify the level of commercial risk (credit) assumed with every client.
- To control deviations that may occur in the established limits.
- To manage any collection incidents reported by the Finance Department.

Usually, the efforts are mainly focused on preventive tasks. The aim of the Group is to identify situations of default. Said analysis is performed on an individual basis.

13.2 Cash and cash equivalents

"Cash and Cash Equivalents" includes the Group's cash and short-term deposits with an original maturity of three months or less. Net carrying value is similar to fair value, without restriction on their availability.

Breakdown at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Other cash equivalents	121,910	190,445
Cash	159	214
Banks and credit entities	359,037	216,105
Total cash and other cash equivalents	**481,106**	**406,764**

The Group's finance management makes short-term placements of liquidity peaks, based on the Group's cash budget, which are recorded under "other cash equivalents". Most of these are placements in bank deposits in Spain and Chile.

Out of the total balance of this item, EUR 48,986 thousand and EUR 49,652 thousand correspond to joint ventures (see Annex III) at 31 December 2024 and 2023, respectively.

13.3 Short-term financial investments

This item includes bank deposits, short-term deposits with a maturity of more than three months and other current loans.

At 31 December 2024 and 2023, it mainly includes the following:

- the amounts derived from short-term deposits, amounting to EUR 4,116 thousand and EUR 2,494 thousand, at 31 December 2024 and 2023, respectively.

- The Group also records under this heading the positive value at year-end of the financial derivatives contracted amounting to EUR 569 thousand and EUR 50 thousand as of 31 December 2024 and 2023 respectively (see Note 17).

13.4 Long-term financial investments

Details of and movements in "Other non-current financial assets" in the accompanying consolidated balance sheet at 31 December 2024 are as follows:

	Thousands of Euros			
	Investments available for sale	Investments until maturity	Impairment	Total
Balance at 31 December 2022	**12,757**	**18,664**	**(10,790)**	**20,631**
Entries or provisions	1,272	606	(1,163)	715
Transfers	-	(38)	-	(38)
Translation differences	(603)	(583)	124	(1,062)
Disposals, withdrawals or redundancies	-	(726)	-	(726)
Balance at 31 December 2023	**13,426**	**17,923**	**(11,829)**	**19,520**
Entries or provisions	7,102	620	(98)	7,624
Transfers	-	-	9	9
Translation differences	(54)	(438)	5	(487)
Disposals, withdrawals or redundancies	-	(1,777)	-	(1,777)
Balance at 31 December 2024	**20,474**	**16,328**	**(11,913)**	**24,889**

13.4.1 Financial assets at fair value through profit or loss

This item includes basically representative investments in equity securities of entities. From total impairment recorded at 31 December 2024 and 2023, EUR 6,399 thousand and EUR 6,251 thousand, respectively, correspond to financial assets at fair value (see Note 22.11).

Net cost at which interest ownership of the Group is recorded, by associate, at 31 December 2024 and 2023, is as follows:

Company	Thousands of Euros	
	31.12.2024	31.12.2023
Bodegas Altanza, S.A.	736	736
Oryzon Gernomics, S.A. (*)	573	573
Madrid Affordable Housing	5,000	5,000
Nueva Marina Real State, S.L.	6,960	6,960
Others	806	806
	14,075	**14,075**

(*) Company listed in the Stock Exchange of Spain.

In December 2024, the Group's investee, Constructora San José, S.A., subscribed shares representing 7.99% of the share capital of Nueva Marina Real Estate, S.L., a company whose main corporate purpose is real estate development, for 6,960 thousand euros. The Group does not exercise control or significant influence over this investee company. The Group's management considers that the amount recognised for these investments does not differ significantly from their fair value.

The Group's investee, "Constructora San José, S.A.", has shares equivalent to 10% of its share capital in the companies "Madrid Affordable Housing 2021, S.A." and "Madrid Affordable Housing Development 2021, S.A.", for a total amount of EUR 5,000 thousand, companies whose main activity is related to the execution of residential works for the Community of Madrid, where the Group carries out construction. The Group does not exercise control or significant influence over these investees. Group management considers that the amount recognised for these investments does not differ significantly from their fair value.

13.4.2 Financial assets at amortised cost

This item mainly includes credits and collection rights with third parties. Carrying net cost at 31 December 2024 and 2023 amounts to EUR 10,814 thousand and EUR 12,345 thousand, respectively.

At 31 December 2024 and 2023, this item mainly includes the Group's receivables from clients arising from the renegotiation of long-term debt, or due to discrepancies pending resolution in legal or arbitration proceedings. Special mention deserves the following:

- Collection right for a total amount of EUR 8,010 thousand and EUR 8,549 thousand, as of 31 December 2024 and 31 December 2023, respectively, against the Chilean Ministry of Public Works, as a result of the termination of the contract and execution of the guarantee at the first request, which was maintained with the company of the Group "Sociedad Concesionaria San Jose Rutas del Loa, SA", in Chile.

  Based on the Group's analysis of the recoverability of this debt, in the context of the application of IFRS 9, mainly considering counterparty risk, the impairment recorded associated with 31 December 2024 and 2023 amounted to 1,462 and 1,560 thousand euros, respectively. In addition, at 31 December 2024 and 2023, the Group has recognised a provision for possible liabilities that may arise in relation to this contract, amounting to 7,092 thousand and 7,569 thousand euros, respectively (see note 15). During the financial years 2024 and 2023, the variation in both the cost and the impairment and provision is due to the evolution of the exchange rate.

  Long-term collection right relating to the work on the 'Improvement of the Checca-Mazocruz section of the road' in Peru, amounting to EUR 4,306 thousand and EUR 4,153 thousand, as of 31 December 2024 and 2023, respectively, as a result of the unilateral termination of the contract by the client, notified in February 2020. The Group considers that the reasons given by the client for terminating the contract are unfounded and has initiated the arbitration procedure provided for in the contract itself. During the 2024-2023 financial year, the variation is due to exchange rate fluctuations.

  Based on the analysis of the recoverability of said debt carried out by the Group, under the legal framework of IFRS 9, the impairment recorded at 31 December 2024 and 2023 amounts to EUR 2,638 thousand and EUR 2,545 thousand, respectively. Further, as of 31 December 2024 and 2023, the Group has recorded a provision for possible liabilities that may arise from this contract, amounting to EUR 2,784 thousand and EUR 2,686 thousand, respectively (see Note 15). During 2024 and 2023 the change in both cost and impairment is due to exchange rate movements.

14. Net equity

14.1 Share Capital

At 31 December 2024 and 2023, share capital of the Parent was represented by 65,026,083 shares of EUR 0.03 par value each.

At 20 July 2009, Parent Company shares can be listed on the Continuous Market. The closing and mean quote for the last quarter of the year has been EUR 5.2 and 5.7 for the year 2024 and EUR 3.46 and 3.55 for year 2023, respectively.

As of 31 December 2024, the main shareholder of the parent company was Mr Jacinto Rey González, with a direct and total effective participation of 24.952% and 48.292%, respectively. In addition, other shareholders with a significant shareholding as of 31 December 2024 included Ms Julia Sánchez Ávalos, Ms María Virtudes Sánchez Ávalos and Mr Juan Villalonga Navarro, with a total effective shareholding of 7.44%, 4.73% and 1.93%, respectively.

14.2 Issuance fee

The Capital Companies Act expressly allows the use of the balance of the share issue premium to increase the share capital of the entities which it is registered in and does not establish any specific restriction regarding the availability of said balance.

At 31 December 2024, the Company does not have issuance premium.

14.3 Legal reserve

Under the Consolidated Spanish Companies Act, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount.

Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At 31 December 2024 and 2023, legal reserve was fully provided.

14.4 Distribution of dividends

At 31 December 2024 and 2023 there are no restrictions on the distribution of dividends.

The Parent Company has distributed dividends in the last five years (see Note 3).

14.5 Consolidated reserves

The breakdown of item “Reserves” in the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Parent reserves	34,890	40,587
Consolidation reserves		
-From consolidated companies	195,408	176,110
-From companies considered equivalent	(13,327)	(9,916)
TOTAL	**216,971**	**206,781**

The breakdown, by company, of the balance of "Consolidated reserves" in the consolidated balance sheets, after taking into account the effect of consolidation adjustments, is as follows:

Net profit/(loss) and reserves for the year attributable to the Parent company contributed by the Parent Company and Subsidiaries

	Thousands of Euros			
	2024		**2023**	
	Reserves	**Profit/(Loss) for the year**	**Reserves**	**Profit/(Loss) for the year**
Grupo Empresarial San José, S.A.	26,657	6,389	30,073	5,138
SJB Melrose	(5,207)	(59)	(5,067)	(140)
Constructor subgroup	210,628	22,602	196,165	11,695
Comercial subgroup	11,199	2,614	10,013	2,386
Udra Medios subgroup	(14,657)	696	(14,732)	75
San José Concessions y Servicios subgroup	6,011	1,079	5,195	816
San José Energía y Medio Ambiente subgroup	(5,046)	18	(5,566)	520
Cadena de Tiendas, S.A.U.	92	104	87	5
GSJ Solutions, S.L.U.	621	184	529	92
	230,298	**33,627**	**216,697**	**20,587**

Net profit/(loss) and reserves attributable to the Parent company by companies accounted for valued using the equity method:

The breakdown, by company, of the balance of this account in the consolidated balance sheets, after taking into account the effect of the valuation adjustments, and of the Conversion differences recognised in equity as a result of the valuation process, is as follows:

	Thousands of Euros			
	2024		2023	
Company	Reserves	Profit/(Loss) for the year	Reserves	Profit/(Loss) for the year
Crea Madrid Nuevo Norte, S.A.	(4,734)	(582)	(4,344)	(390)
Panamerian Mall, S.A.	(2,523)	563	(66)	311
Pinar de Villanueva, S.L.	(6,275)	(3)	(6,274)	(1)
Cresca, S.A.	(524)	(41)	(524)	-
CSJ GVK Projects ´n Technical SS. P.L.	729	(538)	1,292	(563)
Altacus Investments, S.A.	-	(1)	-	-
Lysistrata Investments, S.A.	-	(1)	-	-
Cirilla Investments, S.A.	-	(1)	-	-
	(13,327)	**(604)**	**(9,916)**	**(643)**

14.6 Valuation adjustments

"Valuation adjustments" in the consolidated balance sheet includes the net amount of fair value adjustments of certain derivative instruments (see Notes 4.10 and 17) due to the application of IFRS 9.

14.7 Treasury Shares of the Parent Company

At 31 December 2024 and 2023 the Group did not hold any treasury shares neither had executed transactions with treasury shares during 2024 and 2023.

14.8 Non-controlling interests

The detail at 31 December 2024 of the balance of the consolidated balance sheet headings "Non-controlling interests" and "Profit attributable to non-controlling interests", by consolidated company, is as follows:

	Thousands of Euros	
Company	Total minority interests	Profit/(Loss) for the year attributed to minority
Constructor subgroup	32,214	(765)
Udra Medios subgroup	(174)	51
San José Energía y Medio Ambiente subgroup	2,445	88
	34,485	**(626)**

The main amount allocated to non-controlling interests is that deriving from the Constructor Group's holding in the company "Carlos Casado, S.A.", in which the Group has a 52.19% interest, parent company of a subgroup of companies located mainly in Paraguay, and whose activity is focused on the agricultural and livestock sector (see Note 12.4).

Changes under this item during years 2024 and 2023 are as follows:

	Thousands of Euros	
	2024	**2023**
Opening balance	**35,536**	**32,117**
Profit/(Loss) for the year	(626)	1,468
Translation differences	(328)	1,910
Dividends distributed and capital reductions	(84)	44
Adjustments attributable to minority interests and other	(13)	(3)
Closing balance	**34,485**	**35,536**

14.9 Capital management

The Group's capital management focuses on achieving a financial structure that optimises the cost of capital while maintaining a solid financial position. This policy reconciles the creation of value for the shareholder with access to financial markets at a competitive cost in order to cover both debt refinancing requirements and investment plan financing needs not covered by the funds generated by the business.

As an indicator for capital management, Group management considers the leverage ratio, this ratio being understood as the quotient resulting from dividing net financial debt by net equity. Insofar as the Group has maintained a positive net cash position in recent years (because the level of cash and other liquid financial assets far exceeds the level of financial debt), Group management uses the ratio "net cash position/net equity" as an indicator.

At 31 December 2024 and 2023, the amount of the above-mentioned parameter is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Non-current bank borrowings and other financial liabilities (Note 16)	9,598	4,919
Current bank borrowings and other financial liabilities (Note 16)	481,106	406,764
Other current financial assets (Note 13.3)	(102,837)	(100,876)
Cash and cash equivalents (Note 13.2)	(14,525)	(15,131)
Total net	**373,342**	**295,676**
Total equity	**252,701**	**216,918**
Net equity	**147.74%**	**136.31%**

The Group presents its results in accordance with generally accepted accounting standards (see Note 2.1). However, directors believe that certain alternative performance measures (MARs) reflect the true and fair view of its financial information and provide useful additional financial information used in the management of the business and that shall be considered to adequately assess performance of the group.

Among other, the Group identifies as MAR the net financial debt (DFN), defining it as the total amount of bank and non-bank financial debt, including financial leasing creditors and the valuation of obligations associated with financial derivative instruments, financial debt with third parties, and subsidiaries, recorded under "Short-term investments", "Investments in associates, and joint ventures", and "Cash and cash equivalents" in the current assets of the consolidated balance sheet.

14.10 Equity situation of the Parent company

At 31 December 2024 and 2023, the Parent Company records a positive net equity amounting to EUR 44,910 thousand and EUR 46,595 thousand, respectively, representing 32.4% and 32.1% of total assets.

15. Provisions

The detail and movement during 2024 and 2023 of the main items under the accompanying consolidated balance sheet of the Group including recorded provisions are as follows:

	Thousands of Euros			
	Operating insolvences (Note 13)	**Other operating provisions**	**Long term provisions**	**Total**
Balance at 31 December 2022	**22,992**	**35,252**	**27,337**	**85,581**
Net impairment	(2,416)	(571)	15,086	12,099
Applications	(2,427)	(4,377)	(1,597)	(8,401)
Transfers and other	-	(676)	59	(617)
Translation differences	(176)	(397)	(1,158)	(1,731)
Balance at 31 December 2023	**17,973**	**29,231**	**39,727**	**86,931**
Net impairment	3,610	2,607	5,200	11,417
Applications	(1,593)	(424)	(837)	(2,854)
Transfers and other	594	(448)	780	926
Translation differences	(125)	229	184	288
Balance at 31 December 2024	**20,459**	**31,195**	**45,054**	**96,708**

Other operating provisions

The operating provisions, recorded under the item "Short-term provisions" as current liabilities in the accompanying consolidated balance sheet, include the estimated amounts to deal with possible contingencies that arise in the normal development of the business: completion of works and post-sale, works with negative budgeted margin, etc.

Non-current provisions

This item mainly includes provisions to cover possible contingencies that may arise in the Group, arising from litigation and court proceedings, mainly as a result of the development of its activity. It is worth noting the provisions that the Group has recorded in relation to the judicial and / or arbitration proceedings related to construction contracts resolved unilaterally by clients, for a total amount of EUR 9,876 thousand and EUR 10,255 thousand, at 31 December 2024 and 2023, respectively (see Note 13.4), as well as that mainly related to claims and negotiation with suppliers in Abu Dhabi, for a total amount of 16,371 thousand euros.

This heading also includes the accrued amount pending completion corresponding to major repairs and multi-year maintenance work on productive fixed assets (see Note 7), as well as the costs expected to be incurred for the reversion to ownership of the concessions currently managed by Group companies, totalling Euros 5,134 thousand and Euros 4,540 thousand at 31 December 2024 and 2023, respectively.

The Directors of the Parent Company consider that the probability of an outcome of litigation and claims to occur are insignificant to justify the registration of additional provisions. The Directors of the different companies within Grupo SANJOSE consider that the probability of an outcome of litigation and claims to occur are insignificant to justify the registration of additional provisions and consider that present provisions are enough to deal with the current processes of litigation and claims or will not have a material effect on the consolidated financial statements.

16. Bank borrowings and debt instruments and other marketable securities

The breakdown of said items in the consolidated balance sheet at 31 December 2024 and 2023 is as follows:

Year 2024:

	Thousands of Euros		
	accounts payable	**Derivatives**	**Total**
Non-current financial liabilities:			
Bank borrowings (Note 16.1)	3,241	-	**3,241**
Other financial liabilities (Note 16.3)	99,596	-	**99,596**
Total non-current	**102,837**	**-**	**102,837**
Current financial liabilities:			
Bank borrowings (Note 16.1)	7,278	-	**7,278**
Derivatives (Note 17)	-	93	**93**
Other financial liabilities (Note 16.3)	5,954	-	**5,954**
Total current	**13,232**	**93**	**13,325**

Year 2023:

	Thousands of Euros		
	accounts payable	**Derivatives**	**Total**
Non-current financial liabilities:			
Bank borrowings (Note 16.1)	2,672	-	**2,672**
Other financial liabilities (Note 16.3)	98,204	-	**98,204**
Total non-current	**98,204**	**-**	**98,204**
Current financial liabilities:			
Bank borrowings (Note 16.1)	7,951	-	**7,951**
Derivatives (Note 17)	-	777	**777**
Other financial liabilities (Note 16.3)	4,811	-	**4,811**
Total corriente	**12,762**	**777**	**13,539**

The detail of the variation existing in year 2024 in the total amount of financing received is as follows:

	Thousands of Euros						
	31.12.2023	**IFRS 16 effect and other**	**Cash flows**	**Transfers**	**Changes in fair value**	**Translation differences**	**31.12.2024**
Non-current financial liabilities:							
Bank borrowings (Note 16.1)	**2,672**	900	1,132	(1,511)	48	-	**3,241**
Derivatives (Note 17)	**-**	-	-	-	-	-	**-**
Other financial liabilities (Note 16.3)	**98,204**	828	(366)	(401)	1,406	(74)	**99,596**
Total non-current	**100,876**	**1,728**	**766**	**(1,912)**	**1,454**	**(74)**	**102,837**
Current financial liabilities:							
Bank borrowings (Note 16.1)	**7,951**	548	(2,928)	1,511	182	14	**7,278**
Derivatives (Note 17)	**777**	-	(586)	(98)	-	-	**93**
Other financial liabilities (Note 16.3)	**4,811**	959	(227)	401	-	10	**5,954**
Total current	**13,539**	**1,507**	**(3,741)**	**1,814**	**182**	**24**	**13,325**

The column "Effect of application of IFRS 16 and others" includes an increase of EUR 1,449 thousand corresponding to the amount of the leasing contracts signed by the Group during the year 2024.

For the majority of financial debts, the fair values are not significantly different from their book values, given that the interest payable on these financial debts is close to current market rates or the debts are of a short-term nature.

Breakdown by maturity at 31 December 2024 is as follows:

	Thousands of euros				
	Year 2025	Year 2026	Year 2027	Year 2028 and followings	TOTAL
Bank borrowings (Note 16.1)	7,278	1,079	883	1,279	10,519
Derivatives (Note 17)	93	-	-	-	93
Other financial liabilities (Note 16.3)	5,954	1,860	-	97,736	105,550
TOTAL	**13,325**	**2,939**	**883**	**99,015**	**116,162**

16.1 Bank borrowings

Breakdown at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	31.12.2024	31.12.2023
Non-current:		
Finance leasing	1,710	1616
Bank loans and credit facilities	1,531	1,056
Total non-current	**3,241**	**2,672**
Current:		
Finance leasing	1,182	964
Payables from discounted notes and bills	7	1,520
Bank loans and credit facilities	6,089	5,467
Total current	**7,278**	**7,951**
TOTAL	**10,519**	**10,623**

All these loans bear interest at a rate tied to EURIBOR plus a market spread.

As of 31 December 2024 and 2023, the item ‘Bank loans and credits’ under non-current and current liabilities mainly includes an amount of EUR 6,679 thousand and EUR 5,275 thousand, respectively, corresponding to the financing drawn down by the group company ‘Casado Agropecuaria, S.A.’

The detail by maturity of debts with credit institutions as of 31 December 2024, is as follows:

	Thousands of euros				
	Year 2025	Year 2026	Year 2026	Year 2028 and followings	TOTAL
Finance lease	1,182	667	691	352	2,892
Payables from discounted notes and bills	7	-	-	-	7
Bank loans and credit facilities	6,089	412	192	927	7,620
TOTAL	**7,278**	**1,079**	**883**	**1,279**	**10,519**

At 31 December 2024 and 2023, the joint ventures which the Group companies participate in contribute balances arranged in discount lines amounting to EUR 7 thousand and 1,520 thousand, respectively.

During years 2024 and 2023, no breach of financial obligations has been recorded.

16.2 Mortgage loans

At 31 December 2024 and 2023, the Group has no mortgage loans.

16.3 Other financial liabilities

The item "Other non-current financial liabilities" chiefly includes the amount of the financial debt granted by the company "Merlin Properties Socimi, S.A." as part of the purchase price paid in the partial sale of the Group's stake in its associated company "Crea Madrid Nuevo Norte, S.A.", signed on 31 October 2019, for the amount of EUR 86,397 thousand, with a single 20-year maturity and an annual 2% fixed interest rate, payable at maturity, having provided as collateral the participation of the current 10% that the Group owns in said associated company (see Note 11).

At 31 December 2024 and 2023, the debt arising from said loan amounts to EUR 94,054 thousand and EUR 92,531 thousand, respectively. The variation in year 2024 is due to accrued financial expenses pending payment net of the applicable tax withholding.

Likewise, this item includes the financial debt recorded by the Group within the framework of IFRS 16 "Leases", for a total amount of EUR 7,502 thousand and EUR 5,716 thousand at 31 December 2024 and 2023, respectively (see Note 22.6). Future cash outflows not reflected in the valuation of lease liabilities which the Group is potentially exposed to are not significant as of 31 December 2024 and 2023.

Further, this item includes EUR 3,683 thousand and EUR 4,769 thousand at 31 December 2024 and 2023, respectively, corresponding to debts of Group companies with minority shareholders for the for acquisition of property assets and the development of the activity.

17. Derivative Financial Instruments

The Group contracts OTC derivative financial instruments with national and international high credit rating banks.

The purpose of these contracts is to neutralise or limit, by contracting interest rate and currency derivatives, the fluctuations in cash flows to be disbursed for purchases made in foreign currencies, as well as for the payment of financial expenses associated with the Group's financing referenced to floating interest rates.

As of 31 December 2024, the derivative financial instruments contracted by Grupo SANJOSE are foreign currency forward purchases (*fx-forward*), linked to highly probable forecast transactions. All of them meet the requirements of IFRS 9 to be designated as hedged items within a hedging relationship.

Interest rate derivatives contracted by the Group and effective at 31 December 2024 and 2023, together with their fair value at said date, are the following:

Year 2024:

			Thousands of Euros		
Company	Financial Instrum.	Maturity	Initial par value	Remaining par value at 31.12.2024	Balance at 31.12.2024 (Notes 16 and 13.3)
Effcient Hedges:					
Trendy King, S.A.U.	FX Forward-GBP	10/03/2025	163	163	6
Running King, S.A.U.	FX Forward-USD	15/01/2025	2,764	2,764	133
Running King, S.A.U.	FX Forward-USD	18/02/2025	1,379	1,379	67
Running King, S.A.U.	FX Forward-USD	18/02/2025	1,073	1,073	84
Running King, S.A.U.	FX Forward-USD	16/06/2025	3,549	3,549	279
Running King, S.A.U.	FX Swap - USD	15/01/2025	914	914	(44)
Running King, S.A.U.	FX Swap - USD	15/01/2025	578	578	(28)
Running King, S.A.U.	FX Swap - USD	15/01/2025	67	67	(3)
Running King, S.A.U.	FX Swap - USD	15/01/2025	90	90	(4)
Running King, S.A.U.	FX Swap - USD	15/01/2025	276	276	(14)
TOTAL			**10,853**	**10,853**	**476**

Year 2023:

Company	Financial Instrum.	Maturity	Thousands of Euros		
			Initial par value	Remaining par value at 31.12.2023	Balance at 31.12.2023 (Notes 16 and 13.3)
Effcient Hedges:					
Trendy King, S.A.U.	FX Forward-USD	16/01/2024	2,767	2,767	(54)
Trendy King, S.A.U.	FX Forward-GBP	15/04/2024	194	194	1
Trendy King, S.A.U.	FX Forward-USD	15/02/2024	2,705	2,705	5
Trendy King, S.A.U.	FX Forward-USD	15/07/2024	3,725	3,725	(132)
Trendy King, S.A.U.	FX Forward-GBP	10/09/2024	229	229	(1)
Trendy King, S.A.U.	FX Swap-USD	15/02/2024	902	902	(2)
Constructora San José, S.A.	FX Forward-USD	01/03/2024	117	117	3
Constructora San José, S.A.	FX Forward-USD	31/01/2024	9,478	9,478	(437)
Constructora San José, S.A.	FX Forward-USD	01/03/2024	2,035	2,035	41
Constructora San José, S.A.	FX Forward-USD	31/01/2024	4,671	4,671	(151)
TOTAL			**26,823**	**26,823**	**(727)**

Assets and liabilities as hedge financial instruments include the changes in the measurement of fair value of hedge financial instruments.

The Group records as equity the change in fair value of hedge accounting financial instruments. At 31 December 2024, the adjustment in equity for the fair value of Hedge Elements, net of taxes, is negative amounting to EUR 720 thousand (at 31 December 2023 it was negative, amounting to EUR 226 thousand).

During the financial years 2024 and 2023, an increased interest expense on financial liabilities and supplies for a total amount before tax of EUR 586 and 294 thousand, respectively, as interest on financial liabilities was recognised or foreign currency purchases in currencies hedged under designated hedging relationships were made.

Classification of financial instruments

Regarding assets and liabilities measured at fair value, the Group follows hierarchy set out by IFRS 13 - “Fair value measurement” for their classification pursuant to input used for their measurement and market conditions:

Level 1: inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: non-market observable input data for the asset or liability.

According to IFRS 13, the hierarchy level at which an asset or liability is classified in its entirety (Level 1, Level 2, Level 3) is determined by the lowest relevant input used in the measurement within the fair value hierarchy. In the event that the inputs used to measure the fair value of an asset or liability can be classified within different levels, the fair value measurement is classified in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the fair value measurement.

All instruments contracted by Grupo SANJOSE are classified as Level 2 in the valuation hierarchy. On a residual basis, at 31 December 2024 the Group classifies the investment in shares of an investee as Level 1 (see Note 11).

No transfers from Level 1 to Level 2 have taken place during year 2024. Neither had taken place inputs or outputs of Level 3 at 31 December 2024.

18. Trade and other payables

18.1 Trade payables

"Trade and other payables" includes mainly the amounts outstanding for trade purchases and any related costs, as well as advances from customers (see Note 18.2).

The Group management considers that the carrying amount of trade and other receivables approximates their fair value.

Breakdown for years 2024 and 2023 is as follows:

	Thousands of Euros	
	31.12.2024	**31.12.2023**
Trade payables for sales and services		
-in Euros	209,956	183,453
-in foreign currency	75,545	79,286
Notes payable	336,244	300,853
Total	**621,745**	**563,592**

Information on deferred payments to suppliers. Third supplementary provision. "Information duties" of Act 15/2010 on 5 July

In relation to the information required by the third additional provision of Law 15/2010, of 5 July, amended by article 9-two of Law 18/2022, of 28 September, on the creation and growth of companies, the weighted average payment period to suppliers of the Company during the financial years 2024 and 2023, as well as the balance of payments to suppliers made and those pending at 31 December 2024 and 2023, are detailed below:

	Year 2024	Year 2023
Average payment term to suppliers (days)	**31**	**43**
Ratio of paid transactions (days)	32	42
Ratio of outstanding transactions (days)	27	46
Total payments made (Thousands of Euros)	1,269,587	982,804
Total outstanding payments (Thousands of Euros)	456,903	415,460

The maximum legal payment period applicable to all the Spanish companies of the Group, as stated in Law 15/2010 of 5 of July, modified by Law 3/2004 of 29 of December, and Law 11/2013 of 26 of July, in which measures against default in commercial operations are set out, is 30 days; but might be extended up to 60 days, in those cases agreed between the parties.

During the years 2024 and 2023, the total amount in euros and number of invoices paid to suppliers in a period shorter than the maximum established in the legislation in force, as well as how much they represent out of the total amount of payments to suppliers, is as follows:

	Year 2024	Year 2023
Number of invoices paid to suppliers with a period of less than 60 days	130,411	102,465
% of total number of invoices paid	91.4%	85.0%
Payments to suppliers with a period of less than 60 days	1,165,639	835,295
% of total invoices paid	91.8%	85.0%

In accordance with the ICAC Resolution on 29 January 2016, on the information to be incorporated into the financial statements in relation to the average period of payment to suppliers in commercial operations, for the calculation of the average period of payment to suppliers, commercial operations corresponding to the delivery of goods or services accrued during the year have been taken into consideration.

For the sole purpose of giving the information provided in this Resolution, suppliers are considered to be commercial creditors for debts with suppliers of goods or services, included in the "Suppliers" and "Sundry payables" items of the current liabilities of the balance sheet. Likewise, it is considered the effective payment date, the one in which the commercial creditor receives the money provided by the company. Likewise, the group takes into consideration aspects specific to the sector of activity in which it operates, mainly the supplier's fulfilment of its contractual obligations in reference to the service provided or merchandise sold, as well as other required documentary obligations.

The balance of payments made during the year to Group companies domiciled abroad has not been considered, as these balances and transactions are considered to be outside the scope of application of the Act.

The payment of invoices after the maximum term is mainly due to incidents in the delivery of the product or performance of the contracted service. Any payments to trade creditors that exceed the legally established deadlines are generally the result of standard industry practice and can be considered an objective reason and not abusive in accordance with the aforementioned regulations. In these cases, the financial costs are assumed by the Group companies, as documented in the various contracts signed with suppliers.

18.2 Customer advances

This item relates fundamentally to the advances received from the buyers of the properties relating to the developments in progress or advances for the sale of real estate assets.

Real estate advances at 31 December 2024 and 2023 amount to EUR 248 thousand and EUR 692 thousand, respectively, and relate fundamentally to the advances received from buyers OF properties relating to the developments in progress or completed at year-end, whose completion and/or delivery are scheduled for subsequent years (see Note 12).

Advances received from clients to finance the advancement of the works amount to EUR 11.247 thousand and EUR 18.258 thousand at 31 December 2024 and 2023. Advances are reduced based on the certificates issued by Group companies for work carried out in accordance with the terms and provisions of contracts with clients (usually, 5%-10% of the certified amount).

At 31 December 2024 and 2023 this item includes "Amounts Billed in Advance for Construction Work" totalling EUR 158.352 thousand and EUR 101,623 thousand, respectively, (see Note 13.1) which relate to progress billings issued during the year for construction work yet to be performed and which are not recognised as revenue for the period in accordance with the method of recognition of revenue for completed construction work used by the Group, described in Note 4.11.

19. Risk exposure

19.1 Exposure to credit risk

The Group is not exposed to significant credit risk, since its customers and the institutions in which cash placements are made or with which derivatives are arranged are highly solvent entities, in which counterpart risk is not significant.

The Group's main financial assets are cash and cash equivalents, trade and other receivables and investments, which represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group's credit risk is mainly attributable to trade receivables. The amounts are reflected in the consolidated balance sheet net of provisions for expected loss, estimated by the Group's Management. The amount of financial assets recognised in the consolidated financial statements, net of possible impairment losses, represents the Group's maximum exposure to credit risk, excluding guarantees or other credit improvements provided.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparts are banks with high credit ratings assigned by international credit rating agencies.

The Group does not have a significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The Group, depending on the business sector, took out credit insurance enabling it to reduce commercial credit risk arising from transactions with debtors.

The Group monitors credit management and has specific procedures in place in this connection, setting terms and conditions for the acceptance of orders and regularly monitoring orders.

19.2 Exposure to interest rate risk

Interest rate risks arises from changes in the future cash flows from variable rate borrowings (or with current maturity) as a result of changes in market interest rates.

The objective of interest rate risk management is to mitigate the impact on borrowing costs arising from fluctuations in interest rates. Given the low level of leverage referenced to a variable interest rate, derivatives have not been contracted (see Notes 16 and 17).

The sensitivity of profit and equity of the Group to changes in the interest rate at 31 December 2024, considering the existing hedging instruments and financing fixed rate is as follows (considering fluctuations of fifty basic points in applicable interest rates):

	Variation scenarios	
(in Millions of Euros)	**- 50 bp**	**+ 50 bp**
Impact on the total profit/(loss) for the year	0.1	(0.1)
Impact on Equity	(0.1)	0.1

19.3 Exposure to exchange rate risk

The policy of the Group is to use its own currency for activity developed abroad. However, whenever this may not be possible, the Group hedges exchange rate risk with financial derivatives.

Its foreign currency risk exposure relates to its investments in the companies detailed in Note 4.13, and which are financed in local currency.

Exchange rate and equity sensitivity at 31 December 2024, considering the existing hedging instruments and a fixed interest rate, is as follows (considering fluctuations of fifty basic points in applicable interest rates):

(in Millions of Euros)		**Impact on the profit/(loss) for the year**		**Impact on Equity**	
Country	**Currency**	**-5%**	**5%**	**-5%**	**5%**
Chile	CLP	0.1	(0.1)	(2.7)	2.9
Argentina	ARS	(0.1)	0.1	(1.9)	2.1
Mexico	MEX	-	-	(0.7)	0.8
Peru	PEN	0.1	(0.1)	(1.5)	1.7
Abu Dhabi	AED	(0.5)	0.6	1.2	(1.3)
TOTAL		**(0.4)**	**0.5**	**(5.6)**	**6.2**

19.4 Exposure to liquidity risk

The Group pursues the prudent management of the liquidity risk based on the maintenance of sufficient cash and marketable securities, availability of financing through s sufficient level of committed credit facilities and sufficient capacity to settle market positions. The Group calculates its cash requirements through a 12-month cash budget.

The detail of payment obligations derived from the Group's financial liabilities as of 31 December 2024, based on their maturity, using undiscounted amounts, is as follows:

	Thousands of Euros				
	Year 2025	Year 2026	Year 2027	Year 2028 and followings	Total
Bank borrowings	6,189	412	192	927	**7,720**
Finance leasing	1,223	690	715	364	**2,993**
Other financial liabilities	6,266	2,162	308	121,239	**129,975**
Total financial debt	**13,678**	**3,264**	**1,215**	**122,531**	**140,688**
Derivatives	93	-	-	-	**93**
Debts with related entities	-	-	-	-	**-**
Total	**13,771**	**3,264**	**1,215**	**122,531**	**140,781**

At 31 December 2024 and 2023, the Group records a positive working capital amounting to EUR 194.1 million and EUR 189.8 million, what guarantees its feasibility regarding all current financial liabilities included within the accompanying consolidated balance sheet.

In addition to the discount lines (see Note 16.1), as of 31 December 2024, the Group had contracted *confirming* lines for a total amount of EUR 219 million, being the amount drawn down as of that date EUR 157.7 million (EUR 136.6 million at 31 December 2023) These confirming lines are considered trade balances as there are no relevant variations in the term or payment of interest.

20. Taxation

The Group companies file individual tax returns in accordance with the tax legislation in force in each country. With regard to Spain, the San Jose Group, composed of Grupo Empresarial San Jose, S.A. as the Parent and all the Spanish subsidiaries in which it holds a direct or indirect ownership interest of at least 75%, files income tax statements under the special taxation regime with number 002/06 (See Note 4.15).

For each of the consolidated companies, income tax is calculated on the basis of the accounting profit or loss determined by application of generally accepted accounting principles, which does not necessarily coincide with the taxable profit or tax loss.

At 31 December 2024, the following companies of Grupo SANJOSE filed consolidated tax returns, acting "Grupo Empresarial San Jose, S.A." as the head of the consolidated tax group:

- Constructora San José, S.A.
- Cartuja Inmobiliaria, S.A.U.
- Desarrollos Urbanísticos Udra, S.A.U.
- Inmobiliaria Americana de Desarrollos Urbanísticos, S.A.U.
- San José Concesiones y Servicios, S.A.U.
- Tecnocontrol Servicios, S.A.U.
- Comercial Udra, S.A.U.
- Basket King, S.A.U.
- Arserex, S.A.U.
- Trendy King, S.A.U.
- Outdoor King, S.A.U.
- Athletic King, S.A.U.
- Vision King S.A.U.
- Running King, S.A.U.
- Udramedios, S.A.U.
- Xornal de Galicia, S.A.U.
- San José Energía y Medioambiente, S.A.U.
- Poligeneració Parc de L'Alba ST-4, S.A.

- Enerxías Renovables de Galicia, S.A.
- Cadena de Tiendas, S.A.U.
- GSJ Solutions, S.L.U.
- Fotovoltaica el Gallo 10, S.L.

Further, as from 1 January 2015, the associate "EBA, SL." has become the Parent of a consolidation tax group under the tax regime of the Basque Country, which also includes the following company within its scope of consolidation: Alexín XXI, S.A.U.

20.1 Years open for review by the tax authorities

Grupo Empresarial San José, S.A. and its subsidiaries belonging to the Tax Consolidation Group, as well as the rest of the Spanish Group companies, have open for inspection the taxes for the last four financial years and since 2021 for corporate income tax.

During the first half of the 2024 financial year, the inspection actions relating to corporate income tax, value added tax and withholdings and payments on account of income from work, professionals and movable capital of the Spanish tax group, corresponding to the financial years between 2017 and 2020, both inclusive, have been concluded. The Tax Agency has estimated the application of a higher amount of tax losses in that period, for a total amount of 17.7 million euros, and a net corporate income tax revenue of 5.2 million euros has been recorded at a consolidated level.

With regard to the tax years 2016, 2021 and 2022, which were not within the scope of the inspection actions, the Group estimates that the amount of additional tax loss carry forwards that could have been offset by its Spanish companies would be around 40 million euros, having an effect on the tax rate of approximately 10 million euros. Due to the fact that the Group is not certain of the time and procedure for its recognition by the Tax Agency, as of 31 December 2024 it has been considered virtually certain that it will be obtained, classifying this asset as contingent.

With respect to corporate income tax, the right of the Spanish tax authorities to initiate the procedure to verify the bases or quotas offset or pending offset or deductions applied or pending application shall expire ten years as from the day following the end of the statutory period established for filing the return or self-assessment corresponding to the tax year or period in which the right to offset such bases or quotas or to apply such deductions arose.

With respect to the other subsidiaries that are either not domiciled in Spain or do not form part of the consolidated tax group, the years open for review are in accordance with the maximum periods established in the legislation applicable in each country of residence, existing years open for review in Chile for some companies of the Group in said country. Tax inspections have not been started in the outstanding countries during year 2022.

Pursuant to available information, the Parent's Directors consider that no additional material liabilities will arise as a result of future audits of the years open for review.

20.2 Income tax

Income tax is calculated for each unit integrating the Group, in compliance with tax regulations for each country. Applicable tax rates for each country where the Group operates are as follows, with no significant changes compared to those in force in the financial year 2023:

Country	Applicable tax rate
Spain	25%
Peru	29.5%
Cape Verde	23.0%
Portugal	24%
Chile	27%
Mexico	30%
India	25.6%
Abu Dhabi	0%
Malta	35%
Paraguay	10%
Argentina	25% -35%

The balance of "Income Tax" in the accompanying consolidated income statement for 2024 and 2023 was determined as follows:

	Thousands of Euros	
	2024	2023
Profit/(Loss) before tax	**47,504**	**31,855**
Increases at individual companies	18,138	10,997
Decreases at individual companies	(7,205)	(31,163)
Adjustment for inflation in hyperinflationary economies	45	2,585
Equity method	604	643
Offset of prior years' tax losses	(12,869)	(8,195)
Taxable profit	**46,217**	**6,722**
Less taxable profit of companies not resident in Spain	(2,371)	(8,115)
Tax loss of consolidated group resident in Spain	**48,588**	**14,837**
Gross tax payable	**12,122**	**3,674**
Plus-deductions	(171)	(78)
Accrued tax expense	**11,951**	**3,596**
Adjustment for inflation in hyperinflationary economies	(1,957)	1,441
Non resident tax expense	5,113	5,406
Tax expense	**15,107**	**10,443**

Permanent differences contributed by Group companies relate to expenses and income for the year which, in accordance with the tax regulations applicable to each country, are not deductible or taxable, respectively; the most significant aspects being as follows:

- Expenses considered non-deductible for tax purposes, such as fines and donations or the excess of financial expenses over 30% of the operating result.

- Results obtained by Spanish companies abroad, through investees or permanent establishments or branches set up in each country. These results are adjusted from the Group's taxable income until the business is liquidated and closed or sold. During 2024, the Group company "Constructora San José, S.A." has proceeded to close and liquidate several companies (see Note 2.4.d), recognising a negative adjustment in the tax base for the year for a total amount of Euros 142 thousand.

- Allocation and application of non-deductible provisions.

- Non-deductible part of dividend income received by Group companies during the year.

- Exempt capital gains on the sale of financial holdings.

- Valuation adjustments for tax purposes of assets in Chilean companies.

- Adjustments for inflation in Argentine companies.

Pillar 2 Directive

In the framework of the European Union, following the OECD model rules, adapting them to the primary law of the Union, Council Directive (EU) 2022/2523 of 15 December 2022 was adopted. This Directive applies to multinational or domestic groups of companies with annual revenues of € 750 million or more in the consolidated financial statements of their ultimate parent entity in at least two of the four fiscal years immediately preceding the fiscal year under review.

Spain has transposed the Directive and established a complementary tax to guarantee a minimum global level of taxation for multinational groups and large national groups (Law 7/2024, of 20 December). The parent company of Grupo SANJOSE is a resident entity in Spain and complies with the activity requirements established by the regulation, and therefore it is applicable to it.

Although there has been an increase in formal compliance burdens, Grupo SANJOSE has not recorded an expense derived from the application of this new regulation as it is already subject to effective tax rates higher than the minimum taxation established according to Pillar 2 regulations in the main territories in which it operates.

The evolution of the local implementation of the minimum tax in the countries where the Group is present is as follows:

- Argentina: to date it has not fully adopted Pillar 2 rules. However, the country has shown interest in aligning itself with international standards and is actively participating in the OECD's BEPS Inclusive Framework.
- Chile: This country has not yet implemented Pillar 2 rules. However, like Argentina, it has also shown interest in adopting these rules to ensure a minimum effective global taxation.
- Abu Dhabi: as part of the United Arab Emirates, it has shown interest in international tax reforms, including Pillar 2. However, so far, no formal adoption of these rules has been announced.
- Peru: it has not yet adopted the Pillar 2 rules; however, the country has shown interest in aligning itself with international standards and actively participates in the OECD's BEPS inclusive framework.
- United States: it has recently been announced that Pillar 2 will not be applied and that a list of protective measures will be drawn up for cases that negatively affect US companies.

Although there has been an increase in formal compliance burdens, Grupo SANJOSE does not expect significant economic impacts from the application of this new regulation, as it is already subject to higher effective tax rates in the main territories in which it operates. During the 2024 financial year, the Group has not recorded any expenses due to the application of the regulations on minimum taxation of Pillar 2, as no impact on results is estimated.

For the appropriate purposes, it is indicated that the exception of recognising and disclosing information on deferred tax assets and liabilities related to Pillar 2 income tax is applicable.

20.3 Tax loss carry forwards pending compensation

At 31 December 2024, the total amount of tax loss carry forwards pending compensation credited by Group companies amounts to EUR 322,087 thousand (EUR 391,463 thousand at 2023 year-end). The Group records under "Deferred tax assets" in the accompanying consolidated balance sheet at 31 December 2024 a tax credit arising from said tax loss carry forwards amounting to EUR 9,533 thousand (EUR 11,782 thousand in year 2023).

The detail of the tax loss carry forwards of the consolidated companies at 31 December 2024 is as follows:

Company	Year of inclusion	Thousand of Euros
Grupo Empresarial San José S.a. and subsidiaries Tax consolidated group	2004-2015	260,136
Spanish companies not included within the consolidated tax group	2017-2018	750
Foreign companies	1999-2024	61,201
TOTAL		**322,087**

In the case of Spanish companies, and in accordance with current legislation, tax losses corresponding to 2005 onwards have an indefinite period of validity for offsetting. Those corresponding to foreign companies refer mainly to the Group's companies in Chile and the US, with no time limit for offsetting. The tax loss carry forwards of any company pending offset at the time of its integration into the tax group may be offset against the taxable income of the group, up to the limit of the individual taxable income of the company itself. No changes in the amounts to be offset as a result of possible checks by the tax authorities are expected.

The Directors of the Group have assessed the recovery of assets for deferred taxes based on the activities developed by the Group for the term 2025-2034, including the applicable tax legislation (Tax Plan).

Projections used are in line with the Strategic Plan of Grupo SANJOSE, appropriately reviewed and updated by the directors of the Group according to the most recent trade projections, which take into account the historical evolution in recent years, and the financial stability of last years and, specially, that achieved during the year. Likewise, revenue and margin projections have been draft using external resources from recognised international prestige, such as the International Monetary Fund, and information regarding plans for public investment in infrastructure in the coming years of the main countries where the Group operates.

Forecasts of the Group are based on profits, which have, in fact, already been obtained in the last years. The Group uses conservative assumptions for the implementation of the aforementioned Tax Plan. At 31 December 2024, the main assumptions used are as follows:

- Regarding construction activity:
  - Sales: total construction revenue is distributed among countries where the Group operates, based on the current activity and contracted portfolio (short and medium term) and the guidelines established in the business plan Group (medium and long term), assuming average annual growth for the period 2025-2034 of around [2-5]%.
  - A relatively stable EBITDA margin standing at [4,5 - 6.0]%.
  - Potential capital gains from the sale of real estate assets or income and benefits of urban development activity have not been considered in this cash generating unit.

- Regarding the other activities: energy, commercial, services and maintenance. They are secondary with regards to the main construction business,
  - Overall annual growth of sales amounting to [1.5 - 4] %.
  - EBITDA margin: it keeps in line with the average margins of the last years.

As a result of the Tax Plan carried out, and based on the most likely scenario, it is concluded that the Group generates sufficient positive taxable bases to offset the amount of deferred tax assets recorded as of December 31, 2024, over an approximate period of 5 years, which is considered reasonable by the Group's management, taking into account the type of portfolio held.

20.4 Deferred tax assets and liabilities

In accordance with IAS 12 "Income taxes", the Group has offset the deferred tax assets and liabilities of those companies which, in accordance with applicable tax legislation, have the legal right to offset them at their net amount according to their timing.

Deferred tax assets mainly relate to provisions recognised, losses and impairment on assets held for sale, non-deductible financial expenses that will be deductible for tax purposes from the Corporate Income tax base in future years, tax credits and tax loss carry forwards/offsets and differences between accounting and tax depreciation.

The detail as at 31 December 2024 and 2023, as well as the movement during the financial year 2024, is as follows:

Year 2024:

	Thousands of Euros				
	31.12.2023	Changes affecting current year profit/(loss)	Equity adjustments	Regularization and other	31.12.2024
Assets from deductible temporary differences	**6,591**	1,523	(171)	(300)	**7,643**
Tax credit carry forwards	**18**	1,749	-	-	**1,767**
Tax credits to offset loss	**11,783**	(2,208)	-	(42)	**9,533**
Total deferred tax assets	**18,392**	**1,064**	**(171)**	**(342)**	**18,943**
Total deferred tax liabilites	**(12,250)**	**(2,824)**	**93**	**(2,102)**	**(17,083)**
TOTAL NET	**6,142**	**(1,760)**	**(78)**	**(2,444)**	**1,860**

Year 2023:

	Thousands of Euros				
	31.12.2022	Changes affecting current year profit/(loss)	Equity adjustments	Reclassifications and other	31.12.2023
Assets from deductible temporary differences:	**12,974**	(5,775)	121	(729)	**6,591**
Tax credit carry forwards	**1**	17	-	-	**18**
Tax credits to offset loss	**14,863**	(3,005)	-	(75)	**11,783**
Total deferred tax assets	**27,838**	(8,763)	121	(804)	**18,392**
Total deferred tax liabilites	**(18,324)**	3,412	22	2,640	**(12,250)**
TOTAL NET	**9,514**	**(5,351)**	**143**	**1,836**	**6,142**

Group management has assessed the recoverability of deferred tax assets by estimating future taxable income and concluded that there are no doubts as to their offset.

Estimates used to assess the recoverability of deferred tax assets are based on estimated future tax bases, based on the consolidated accounting profit before tax for the year from continuing operations that has been estimated, adjusted for the corresponding permanent and temporary differences that are expected to arise in each year. Based on the profit projections made, it is estimated that there will be sufficient taxable profit to substantially absorb both the tax losses recognised in the balance sheet (see Note 23.3) and the deferred tax assets over an estimated period of around six years.

The most significant amounts forming part of the balance of "Deferred tax assets" and "Deferred tax liabilities" relate basically to the following items:

1. Acknowledgement of tax credits arising from negative tax bases declared by companies of the Group.
2. Differences between the tax and accounting criteria regarding the recording of income from work in progress, which mainly affect the Group's companies in Chile.
3. Differences between the tax and accounting criteria existing in Spanish regulations regarding the impairment of receivables, recording of provisions and amortisations, allocation of certain financial benefits, etc.
4. Tax effect of consolidation entries made in the Group.
5. Investment commitments of deferred income arising from property, plant and equipment sales made in the period from 1997 to 2001, both inclusive, was reinvested in full before 31 December 2006.

20. 5 Deductions

Tax credits generated within a year, in surplus of the applicable legal limits, may be deducted from the income tax payable in the coming years, subject to the limits and deadlines established hereto by the applicable tax legislation The Group has availed itself of the tax benefits provided for in the aforementioned legislation, having considered as a lower expense for corporate tax accrued in the year 2024 the amount of EUR 185 thousand (EUR 97 thousand in 2023).

At 31 December 2024, the Group has tax credits corresponding to accredited tax deductions pending application amounting to EUR 1,767 thousand (EUR 18 thousand at 31 December 2023). The increase relates to deductions from previous years, recognised following the tax inspection completed during the 2024 financial year (see note 20.1)

20.6 Tax receivables and payables

The detail of the Group's tax receivables and payables at 31 December 2024 and 2023 is as follows:

	Thousands of Euros			
	31.12.2024		31.12.2023	
	Current	Non-current	Current	Non-current
Tax assets:				
Deferred tax assets	-	18,943	-	18,392
Tax receivables	-	-	-	-
VAT receivables	17,359	-	10,309	-
Sundry receivables	10,771	-	19,688	-
Total tax assets	**28,130**	**18,943**	**29,997**	**18,392**
Tax liabilities:				
Deferred tax liabilities	-	17,083	-	12,250
Tax payables	-	-	-	-
VAT payables	9,904	-	5,444	-
Personal income tax payable	5,595	-	6,631	-
Sundry payables	6,488	-	1,369	-
Social Security payables	4,473	-	4,176	-
Total tax liabilities	**26,460**	**17,083**	**17,620**	**12,250**

20. 7 Restructuring transactions

The following restructuring transactions have been executed pursuant to the provisions of the Structural Modifications Act 3/2009 and according to the provisions of the tax regulations applicable during the 7 Restructuring years which they took place in, that is Chapter VIII of Title VII on the Special Regime of mergers, spin-off and exchange of shares established by the Legislative Royal Decree 4/2004 on 5 March approving the Consolidated Spanish Corporation Tax Law in force until 2015.

Transactions executed within the previous years:

1.- The company Parquesol Inmobililaria y proyecto S.L. was incorporated on 3 February 2000 by the absorption of several companies (Parquesol Alquileres S.l., Parquesol Inmuebles S.L., Parquesol Inmobiliaria MMM SA and Parquesol Residencial y Desasarrollo S.L.) and the incorporation of two new companies, one of them Grupo Parquesol MM SL. More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2000 of Grupo Parquesol MM S.L.

2.- Merger trough absorption of the company Parquesol Inmobiliaria y Proyectos S.L. (formerly, Miralepa Cartera) as absorbing company and Parquesol Inmobiliaria y Proyectos S.L. and Miralepa Cartera S.L. as absorpbed companies on 2 March 2006, with full effect as of 31 October 2005. More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2006 of Parquesol Inmobiliaria y Proyectos
S.L.

3.- As of 29 December 2008 Constructora San José S.A. absorbed the subsidiaries Alcava Mediterranea S.A., Constructora Avalos S.A., Balltagi Mediterriani SA and Construcción, Rehabilitación y Conservación S.A. More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2008 of Constructora San José S.A.

4.- As of 30 January 2009 Sanjose Tecnologias S.A. absorbed the subsidiaries Artel Ingenieros S.L., Sefri Ingenieros S.A. Instal 8 S.A. y S.M.Klima S.A. More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2009 of Sanjosé Tecnologias S.A.

5.- On 16 June 2009 took place the merger trough absorption of Parquesol Inmobiliaria y Proyectos, S.A. as absorbing company of the associates Parzara, S.L.U., Guadalmina Inversiones, S.L.U., Fomento Inmobiliario de Gestión, S.A.U., Parquesol Promociones y Desarrollos Inmobiliarios, S.L.U. and Parque Usera, S.L. More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2009 of Grupo Empresarial Sanjose S.A.

6.- On 16 June 2009 took place the merger trough absorption of "Udra, S.A." (currently GRUPO EMPRESARIAL SAN JOSÉ, S.A.) with "Grupo Empresarial San José, S.A.", "San José Infraestructuras y Servicios, S.A.", "Udramed, S.L.U.", "Parquesol Inmobiliaria y Proyectos, S.A." and "LHOTSE Desarrollos Inmobiliarios, S.L.". More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2009 of Grupo Empresarial Sanjose S.A.

7.- On 28 December 2009 took place the merger trough absorption of Sanjose Tecnologías S.A. as absorbing company and Tecnocontrol S.A.U. as absorbed company. More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2009 of Sanjose Tecnologias, S.A.

8.- On 28 December 2009 Tecnocontrol transferred its branch of activity of maintenance of mechanical facilities in favour of Tecnocontrol Servicios SA. More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2009 of Tecnocontrol Servicios, S.A.

9.- As of the 30 July 2010, segregation of the real estate branch of activity of Grupo Empresarial San Jose, S.A. (formerly, Udra, S.A.) in favour of "San Jose Desarrollos Inmobiliarios, S.A." (formerly, Inmobiliaria Udra, S.A.) and capital increase of the beneficiary company. Segregation of the real estate activity in order to obtain a greater detail of the assets, rights and obligations of a fiscal nature transmitted, all the accounting information required in the fiscalregulations is detailed in the Financial Statements for year ended 31 December 2010 of San José Desarrollos Inmobiliarios, SA.

10.- Spin-off of "Sanjose Tecnologias, S.A.U." in favour of "Constructora San Jose, S.A.", "Sanjose Energia y Medio Ambiente, S.A." and "Sanjose Concesiones y Servicios, S.A.U." on 27 December 2010. More details of property, rights and obligations can be found on the Notes to the Financial Statements for year ending 31 December 2010 of Constructora San José, S.A.", "Sanjosé Energía y Medio Ambiente, S.A." and "Sanjose Concesiones y Servicios, S.A.U

11.- On 3 December 2013 took place the merger trough absorption of the company Inmobiliria Europea de Desarrollos Urbanisticos S.A. of the companies Inversiones Patrimoniales Guadaiza S.L, Iniciativas Galebal S.L. and San pablo Plaza S.L. Merger has accounting effects as of 1 January 2013.

12.- On 21 December 2016, the Sole Shareholder of the company "Desarrollos Urbanísticos Udra, SAU" adopted the decision to dissolve its investee "Inmobiliaria Europea de Desarrollos Urbanísticos, SAU" in order to proceed to its absorption, without liquidation, by transferring all its assets, rights and obligations to the absorbing company, which acquires and assumes them as universal succession, being surrogated in all rights and obligations of the absorbed companies, which are dissolved without liquidation once granted through public deed the merger agreement on 21 December 2016, and filed and registered at the Trade Registry of Companies of Pontevedra on 28 December 2016.

21. Guarantee commitments to third parties

At 31 December 2024 and 2023, the Group had received from banks and insurance companies guarantees provided to third parties amounting to EUR 489 million and EUR 434 million (chiefly project and tender and performance bonds to public and private bodies), of which EUR 0.02 million correspond to the parent company in year 2024 and the rest to the subsidiaries.

Of the total of guarantees provided to third parties by the Group, EUR 156 million (approximately 39%) relate to international activity of the Group, mainly in Portugal, Abu Dhabi and Chile, amounting to EUR 62 million, EUR 42 million and EUR 35 million, respectively.

Parent Directors do not consider any liability arising in connection to the committed guarantees.

22. Revenue and expenditure

22.1 Revenue

The detail of "Net Revenue" in the accompanying consolidated income statements for 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Construction:		
-Civil works	80,738	69,749
-Residential	726,448	591,392
-Non Residential	522,221	508,219
-Industrial	105,312	36,023
	1,434,719	**1,205,383**
Real Estate	7,629	15,508
Concessions and services	79,509	74,749
Energy	10,143	14,496
Consolidation adjustments and other	25,766	25,699
Net turnover	**1,557,766**	**1,335,835**

From the total net amount of the Group turnover, approximately 27.5% and 25% of construction revenue refer to sales to the public sector in years 2024 and 2023, respectively.

From the total net amount of the Group's turnover, in 2024 and 2023, EUR 120.7 million and 107.1 million, respectively, are derived from the participation of Group's companies in JVs (see Annex III).

Overall, works are carried out by Group Companies are as main contractor.

The contracted backlog as of 31 December 2024 and 2023 amounts to EUR 3,188 million and EUR 2,662 million, respectively, being its breakdown is as follows:

	Millions of Euros	
	2024	**2023**
Construction:		
-Civil works	512	264
-Residential	1,124	943
-Non Residential	754	746
-Industrial	147	154
Subtotal construction	**2,537**	**2,107**
Concessions and services (*)	347	209
Energy	304	346
Total Backlog	**3,188**	**2,662**
Details by type of client:		
-Public-sector	40.33%	30.04%
-Private-sector	59.67%	69.96%
Details by geographical area:		
-Domestic market	79.15%	84.70%
-International market	20.85%	15.30%

(**) In accordance with the economic and financial model of the concessions.

Other operating income" in the accompanying consolidated income statements for 2024 and 2023 includes grants received by the Group, taken to income during the year, amounting to Euros 129 thousand and Euros 123 thousand, respectively. Also included is an amount of Euros 7,948 thousand and Euros 10,688 thousand, respectively, relating to extraordinary income, mainly derived from the regularisation of balance sheet items, and the passing on of costs to third parties.

The Group presents its results in accordance with generally accepted accounting standards (see Note 2.1). However, directors believe that certain alternative performance measures (MARs) reflect the true and fair view of its financial information and provide useful additional financial information used in the management of the business and that shall be considered to adequately assess performance of the group.

Among others, the Group identifies the portfolio as MAR, defining it as the total amount of sales contracted by Group companies with customers, discounting the part realised and recognised as income in the income statement. In concession contracts, the total amount of sales is identified with the best estimate made by the Group, which is included in the economic-financial business plan of the concession.

22.2 Procurements and other external expenses

The detail of this item under the income statement for years 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Purchases of goods, raw materials and other supplies	288,446	253,398
Changes in inventories	(3,617)	(1,425)
Impairment of inventories (Note 12.5)	771	344
Works performed by other companies	876,353	725,106
Total procurement	**1,161,953**	**977,423**

"Works performed by Other Companies" includes work that forms part of the Group's own production process but is commissioned from subcontractors or other companies.

"Other current management expense" in the accompanying consolidated income statement for years 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
R&D expenses	14	10
Leases	43,172	39,262
Repair and maintenance services	1,648	1,227
Independent professional services	19,174	19,250
Transport and freight costs	1,269	2,170
Insurance premiums and banking services	7,729	5,689
Advertising and publicity	3,290	3,752
Utilities	10,964	12,547
Other services	35,969	37,276
Taxes and income tax	7,270	6,764
Impairment losses and provisions changes	9,555	9,760
Other operating expense	3,146	6,174
Total	**143,200**	**143,881**

22.3 Staff costs

The detail of "Staff costs" and changes therein in 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Wages and salaries	147,209	131,661
Termination benefits	1,803	1,470
Employer social security costs	41,646	35,521
Other social costs	4,354	5,077
Total	**195,012**	**173,729**

The average workforce by gender and professional category for years 2024 and 2023 is as follows:

	2024		2023	
Category	**Men**	**Female**	**Men**	**Female**
University graduates	416	199	390	151
University three-year degree graduates	530	184	486	174
Clerical staff	144	184	133	170
Officers and technical personnel	2,798	151	2,686	113
	3,888	**718**	**3,695**	**608**

At 31 December 2024 and 2023, the Group's headcount was 4,413 employees (3,740 men and 673 women) and 4,415 employees (3,792 men and 623 women), respectively, with the distribution by category being similar to the average for the year.

The average number of people employed in the course of the year with a disability greater than or equal to 33% is 43 workers at year 2024 (38 men and 5 women) (13 workers at year 2023, 3 women and 11 men), mainly diploma graduates and administratives. The Company, taking into account the specific risk involved in its activity, has recognised the exception of hiring disabled workers, fulfilling it by contracting services with different special employment centres. These contracts are on an annual basis, incurring into an average expense higher than the minimum required by law.

22.4 Compensation in kind

At 31 December 2024 and 31 December 2023 there was no significant compensation in kind.

22.5 Share-based payment

There are no share-based payment systems.

22.6 Leases - IFRS 16

In its tenant position, the Group has signed leases of underlying assets of different kinds, mainly machinery in the Construction activity and technical facilities and constructions for its own use in all the activities that the Group develops.

In general, leases subscribed by the Group do not include variable payments, only in certain contracts there are clauses for updating the income based mainly on inflation. The mentioned contracts present in some cases restrictions of use, the most common being those that limit the use of the underlying assets to geographical areas or to their use as an office or premises for productive use. Lease agreements do not include significant residual value guarantee clauses.

The Group determines the duration of the contracts by estimating the period during which the entity estimates that it will continue to use the underlying asset in accordance with its particular circumstances, so that the extensions that are reasonably expected to be exercised are contemplated.

The Group has carried out a detailed analysis of all the lease contracts that it has signed, both as lessor and lessee. With the adoption of IFRS 16, in the contracts in which it acts as a lessee, the Group recognises in the consolidated balance sheet the right to use the leased assets and the liabilities derived from most of the lease contracts. Certain contracts are excluded from the application of the aforementioned IFRS 16, either because there is no transfer of ownership of the leased item, or because they are low value assets or because their duration is less than twelve months (see Note 4.5). They are recorded as an expense under the item "Other operating expenses" in the accompanying consolidated income statement for years ended 31 December 2024 and 2023 amounting to EUR 43,172 thousand and EUR 39,262 thousand, respectively (see Note 22.2). Of the total amount of the lease expense of contracts not considered for the purposes of IFRS 16 in year 2024, approximately 11%, 76% and 13% are due to lease contracts where there is no transfer of dominance of the underlying asset, short-term exempt contracts and exempt contracts for a reduced amount 10%, 74% and 16%, respectively in year 2023).

In calculating the lease liability during years 2024 and 2023, the Group has applied the incremental rate of financial debt, which, in general, is equivalent to an effective interest rate of between 3.5% and 4.5% and, affecting a lower number of contracts, specific rates depending on the term and country applicable in the concerned country.

As of 31 December 2024 and 2023, the net book value of right-of-use assets amounts to EUR 7,971 thousand and EUR 6,190 thousand, respectively, with amortisation expenses standing at EUR 9,302 thousand, and EUR 7,616 thousand, respectively (see Note 9).

The book value, additions and amortisations made during the year 2024 and 2023 by class of underlying asset are detailed below:

Year 2024:

	Thousands of euros				
	31/12/2023	Additions / Provisions (Note 9)	Disposals (Note 9)	Translation differences	31/12/2024
Cost:					
Land and buildings	6,663	1,685	(2,903)	21	5,466
Plant and machinery	8,645	8,682	(6,665)	(13)	10,649
Other items of property, plant and equipment	502	587	(264)	-	825
Total	**15,810**	**10,954**	**(9,832)**	**8**	**16,940**
Accumulated amortisation:					
Land and buildings	(4,215)	(1,672)	2,900	115	(2,872)
Plant and machinery	(5,173)	(7,195)	6,666	8	(5,694)
Other items of property, plant and equipment	(232)	(435)	264	-	(403)
Total	**(9,620)**	**(9,302)**	**9,830**	**123**	**(8,969)**
Total net cost	**6,190**	**1,652**	**(2)**	**131**	**7,971**

Year 2023:

	Thousands of euros				
	31/12/2022	Additions / Provisions	Disposals	Translation differences	31/12/2023
Cost:					
Land and buildings	6,443	2,085	(1,971)	106	6,663
Plant and machinery	4,030	7,187	(2,559)	(13)	8,645
Other items of property, plant and equipment	191	456	(145)	-	502
Total	**10,664**	**9,728**	**(4,675)**	**93**	**15,810**
Accumulated amortisation:					
Land and buildings	(4,598)	(1,922)	1,971	334	(4,215)
Plant and machinery	(2,288)	(5,451)	2,559	7	(5,173)
Other items of property, plant and equipment	(134)	(243)	145	-	(232)
Total	**(7,020)**	**(7,616)**	**4,675**	**341**	**(9,620)**
Total net cost	**3,644**	**2,112**	**-**	**434**	**6,190**

At 31 December 2024, the amount of the financial debt recognised under liabilities in the accompanying consolidated balance sheet of the Group, derived from leases in compliance with provisions under IFRS 16, amounting to EUR 7,502 thousand (EUR 5,716 thousand at 31 December 2023) (see Note 16.3).

22.7 Financial Income

The detail of consolidated financial income for years 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	2023
Interest on receivables	16,541	12,470
Income from equity envestments	72	55
	16,613	**12,525**

The item "Interest on receivables" in the financial years 2024 and 2023 mainly includes interest on time deposits and deposits. It also includes interest on arrears recognised as a result of deferrals agreed with customers.

22.8 Finance expenses

The detail of consolidated financial expenses for years 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Interest on receivables	3,173	3,466
Expense for finance update	46	146
Other finance expense	3,658	3,374
	6,877	**6,986**

As of 31 December 2024, within the item "Expense for financial updates" an amount of EUR 41 thousand (EUR 146 thousand as of 31 December 2023) is included, corresponding to the interest expense related to derivative financial liabilities of lease contracts recorded in compliance with the provisions of IFRS 16 – “Leases” (see Note 22.6).

22.9 Impairment and gains or losses on disposals of non-current assets

Breakdown at 31 December 2024 and 2023 is as follows:

	Thousands of Euros	
	2024	**2023**
Gains/Losses on write-offs of fixed assets (Note 9)	133	151
Impairment and losses	(825)	(685)
	(692)	**(534)**

22.10 Change in stocks of finished goods and work in progress

Breakdown and details for years 2024 and 2023 are as follows:

	Thousands of Euros	
	2024	**2023**
Changes in inventories for recorded expenses/sales	2,344	1,671
Change in impairment of inventories (Note 12.6)	111	75
Total	**2,455**	**1,746**

22.11 Impairment and gains or losses on disposals of non-current assets

During the financial years 2024 and 2023, the Group has recorded losses under this heading of the consolidated profit and loss account amounting to EUR 4,447 thousand and EUR 7,410 thousand, respectively, which mainly corresponds to the impairment of assets and financial holdings owned by the Group, amounting to EUR 4,826 thousand in the 2024 financial year (EUR 7,020 thousand in the 2023 financial year), as well as any profits or losses that may have arisen from their realisation with third parties, with a net profit of EUR 379 thousand in the 2024 financial year (net loss of EUR 390 thousand in the 2023 financial year)

22.12 Audit fees

On 20 April 2023, the General Meeting of Shareholders of the Parent Company approved the appointment of PricewaterhouseCoopers Auditores, S.L. as the auditor of the annual accounts and management report of the Company and its consolidated group for 2023, 2024 and 2025. During financial years 2024 and 2023, the fees for auditing and other services provided by the auditor of the Group's consolidated annual accounts and by companies belonging to their respective networks, as well as the fees for services billed by the auditors of the companies included in the consolidation and by the entities related to them by control, common ownership or management were as follows:

Year 2024:

Description	Thousands of Euros	
	Services provided by the main auditor	**Services provided by other auditing**
Audit services	221	289
Other verification services	37	46
Total audit services and related services	**258**	**335**
Tax and fiscal advice services	60	82
Other services	-	-
Total	**318**	**417**

Year 2023:

Description	Thousands of Euros	
	Services provided by the main auditor	**Services provided by other auditing**
Audit services	207	251
Other verification services	37	51
Total audit services and related services	**244**	**302**
Tax and fiscal advice services	36	67
Other services	-	-
Total	**280**	**369**

23. Balances and transactions with non-consolidated associates and joint ventures

All the material balances at year-end between the consolidated companies and the effect of the transactions performed between them during the year were eliminated on consolidation. The detail of the most significant balances between the Group and the non-consolidated associates and joint ventures and the effect of the transactions performed with them on the consolidated income statements are as follows:

	Thousands of Euros	
	2024	**2023**
Total Assets	4,556	2,819
Total Liabilities	2,760	3,122
Revenue	5,068	8,797
Expenses	422	1,125

Total liabilities at 31 December 2024 include the financial debt corresponding to the financing granted by one of its shareholders, for a total amount of EUR 1,294 thousand (EUR 1,275 thousand at 31 December 2023). This loan bears interest at market conditions, partially subject to the achievement of positive results by the borrowing Group company. The amount of total assets contributed includes mainly the amount receivable, of a financial nature, from the other UTEs (joint ventures) partners.

24. Remuneration

24.1 Remuneration of Directors

The detail of the remuneration of all kinds earned in 2024 and 2023 by the Directors of Grupo Empresarial San José, S.A., 9 men and 3 women, and of the Group company, jointly controlled entity or associated obliged to pay such remuneration are as follows:

Type of Directors	Thousands of Euros	
	2024	**2023**
Executive board members	3,251	3,320
Independent board members	253	225
Other external board members	295	276
Total	**3,799**	**3,821**

Breakdown of remuneration taking into consideration type of director for years 2024 and 2023 are as follows:

Type of compensation	Thousands of Euros	
	2024	**2023**
Salary	3,136	3,208
Allowances	308	295
Other items	355	318
Total	**3,799**	**3,821**

The amount for 2024 and 2023 includes Directors' remunerations for the performance of their duties as Executives for EUR 3,491 thousand and EUR 3,208 thousand, respectively.

At 31 December 2024 and 2023, no advances, loans or other types of guarantees had been granted to the former or current directors and there were no additional pension or life insurance obligations to them. In addition, the Group does not have any other kind of transactions with related parties.

The directors of the Company are covered by the "Corporate Liability Insurance Policies of Directors and Officers" contracted by the parent company of Grupo SANJOSE, in order to cover possible damages that may be claimed, and that may arise as a result of an error incurred into by managers or directors, as well as those of its subsidiaries, in the exercise of their positions. The total annual premium in the year 2024 amounts to EUR 302 thousand (EUR 336 thousand in 2023).

Breakdown of ownership interest in companies with similar activities and activities and functions of Directors and associates.

In relation to the participation of the directors of the parent company, or persons related to them, in the capital of companies outside the parent company; or if they carry out for their own account or for the account of others the same, similar or complementary type of activity to that which constitutes the corporate purpose; or if they have carried out transactions with the parent company or with any company of the same Group in their own name or on behalf of a person acting on their behalf that are outside the ordinary business of the parent company or under conditions that are not normal market conditions, it should be indicated that the Directors:

- Have not performed on their own account or for any other third parties the same business activity or any other similar activity.
- Have no interest in the capital of entities with the same, analogous or complementary type of activity to the corporate purpose of the parent company.
- Have not performed with the Company or any Group company transactions other than those in the normal course of business or under non-usual market conditions.

At year-end 2024 neither the members of the Board of Directors of the Company or any third parties related to them, as defined in the Companies Act, have reported to the other members of the Board of Directors any conflict of interests, either direct or indirect, with the interests of the Company.

24.2 Remuneration and other benefits of senior executives

Total remuneration accrued for all items, from those employees who are considered Top Management in the Group, -excluding those who simultaneously have the status of member of the Board of Directors (whose remuneration has been detailed above) - during the years 2024 and 2023, can be summarised as follows:

Number of people	Thousands of Euros
Year 2024:	
7 directors	1,317
Year 2023:	
10 directors	1,749

Additionally, the Company does not have any pension or life insurance obligations to these executives.

25. Information on the environment

Assets of natural environment are those which are used for the Group's business activity and whose main goal is to minimise environmental impact and boost the protection of the environment, as well as the reduction and elimination of future pollution.

Grupo SANJOSE considers the preservation of the environment and sustainable development as fundamental premises within its strategic lines of business. The Group's environmental policy includes:

- Protection of the environment through the prevention or mitigation of environmental impact, the prevention of pollution, the reduction of waste generation, the sustainable use of resources and energy efficiency.

- Continuous improvement in the management of our environmental performance, through the establishment and monitoring of environmental targets and goals, aimed at contributing to the improvement of processes and services.

- Compliance with application environmental legislation and regulations.

- Qualification and awareness, through training and awareness activities addressed to all workers, subcontractors and other concerned parties.

Since 1999 the Grupo has maintained a firm commitment to the environment in continuous review and adaptation to needs and expectations of the society and the environment. Hence, the implementation of an environmental management system in order to integrate business development, generate social value and environmental protection is a priority for the Group. Since 2006, the Group has been certified under the ISO-14001 standard with regard to environmental management systems.

The Group shares the concern of society and interested parties in relation to climate change, assuming responsibility for the possible impacts arising from the development of its works and services. To adapt to the consequences of climate change, the Group promotes mitigation and adaptation measures that contribute to the transition to a low-carbon economy, among which we highlight:

- Energy saving and efficiency measures, replacing equipment and facilities for more efficient ones. In this sense, and despite the fact that the Group's activity is not very intensive in the use of fixed assets, in light of the regulatory requirements regarding the environment and climate change mitigation, the Group has revalued the recoverable value of its main items of property, plant and equipment (machinery, technical installations, etc.), without having identified signs of impairment. As these items of fixed assets are fully depreciated, they will be replaced by more sustainable ones. Likewise, cash outflows for potential investments to be made in the future to adapt to current regulations do not have a significant impact on the recoverable value of other Group assets (real estate investments, goodwill or inventories).

- Promotion of renewable energy generation. In this regard, as indicated in Note 7, the Group owns and operates a 5.4 MW photovoltaic plant in Jaen (Spain), as well as a polygeneration plant for electricity, cooling and heating. It also specialises in the construction, commissioning and maintenance of renewable energy generation plants, both wind and photovoltaic.

- Study and implementation of environmental proposals to the client to improve the resilience of buildings in the face of the expected effects of climate change, promoting energy savings, the use of renewable energies, proper waste management, the integration of vegetation in projects. Costs associated with these proposals and measures are considered in the budgets for the works. In relation to the residential building projects that are promoted internally by the Group, basically in the real estate and urban development segment, solutions that promote energy saving are also introduced, forming part of the construction cost of assets. The Group has extensive experience in construction according to the main sustainability standards (LEED / United States, BREEAM / United Kingdom, PASSIVHAUS / Germany, GREEN / Spain, HQE / France), which have guided it in the execution of more than 1.8 million square metres around the world.

- Sensitisation and awareness of all personnel involved in the development of projects and services in order to promote behaviours that contribute to reducing energy consumption and the environmental impact of the activities carried out.

- Energy services designed and executed in order to provide integral solutions adapted to customers' needs in order to guarantee the maximum energy efficiency of facilities, ensuring and developing sustainable energy solutions capable of reducing the consumption of energy and optimising its reuse.

Due to the type of activity carried out by Group Companies, as well as the concern and awareness measures implemented internally so as to minimise the environmental impact, the Group has no expenses, assets, provisions or contingencies of an environmental nature. that could be significant in relation to equity, financial position and profit/(loss) for the year (see Note 24). Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements. Although there is no legal contracting obligation in Spain, Grupo SANJOSE has taken out an Environmental Civil Liability Insurance Programme, in which the Company is included.

26. Events after the reporting period

There are no other significant events occurred after 31 December 2024 which may have impacted on the accompanying financial statements.

Annex I

Consolidated subsidiaries

Company	Company Auditor	Address	Activity	% of voting rights controlled by Parent companies	
				Direct	Direct
Alexin XXI, S.L.U.	-	Bilbao (Vizcaya).	Real Estate Development	-	100
Aprisco Salvador Inv. Hoteleiros e Imobiliários, Ltda.	-	Brazil	Construction and Real Estate Development	-	100
Argentimo, S.A.	Auren	Buenos Aires (Argentina)	Real Estate Development	-	100
Arserex, S.A.U.	-	Madrid	Trade and distribution of sport items in Spain	-	100
Basket King, S.A.U.	-	Madrid	Trade and distribution of sport items in Spain	-	100
Cadena de Tiendas, S.A.U.	-	Pontevedra	Trade, distribution, import and export of clothes	100	-
Carlos Casado, S.A. (*)	Auren	Buenos Aires (Argentina)	Real Estate Development	-	52,19
Casado Agropecuaria, S.A.	-	Paraguay	Agricultural productions	-	99.99
Agropecuaria del Chaco, S.A.	-	Paraguay	Agricultural productions	-	100
Cartuja Inmobiliaria, S.A.U.	PWC	Seville	Construction	-	100
Centro Comercial Panamericano, S.A	Auren	Buenos Aires (Argentina)	Real Estate Development	-	100
CIMSA Argentina, S.A.	Auren	San Luis (Argentina)	Civil works	-	100
Comercial Udra, S.A.U.	-	Pontevedra	Trade	100	-
Constructora San José Argentina, S.A.	Auren	Buenos Aires (Argentina)	Construction	-	96.947
Constructora San José Brasil Limitada	-	Salvador de Bahía (Brasil)	Construction and Real Estate Development	-	100
Constructora San José Cabo Verde, S.A.	AYS	Cape Verde	Construction	-	100
Constructora San José, S.A.	PWC	Pontevedra	Construction	99.79	-
Constructora San José Timor, Unipessoal Lda.	-	Timor	Construction	75	-
Constructora Udra Limitada	Deloitte	Monaco (Portugal)	Construction, maintenance and repair	7	70
Desarrollos Urbanísticos Udra, S.A.U.	-	Pontevedra	Real Estate Development	-	100

Company	Company Auditor	Address	Activity	% of voting rights controlled by Parent companies	
				Direct	Direct
Eraikuntza, Birgaikuntza Artapena, S.L.U.	PWC	Vitoria Gasteiz	Construction	-	100
Enerxías Renovables de Galicia, S.A.	-	Pontevedra	Energy	-	100
Athlelic King S.A.U.	-	Madrid	Manufacturing, warehousing and distribution of manufactured goods	-	100
Facopremo, S.A.	-	Madrid	Construction	-	55
Fotovoltaica el Gallo 10, S.L.	-	Burgos	Energy	-	82.97
GSJ Solutions, S.L.	PWC	Madrid	Engineering Services	100	-
Hospes Brasil Participaciones e Empreendimientos Lda.	-	Brazil	Construction and Real Estate Development	-	100
Inmobiliaria 2010, S.L.	-	Lima (Peru)	Construction and Real Estate Development	-	100
Inmobiliaria Americana de Desarrollos Urbanisticos, S.A.U.	-	Pontevedra	Real Estate Development	-	100
Inversión SanJose Chile Limitada	-	Santiago de Chile (Chile)	Investments and real estate	-	100
Inversiones San Jose Andina Ltda.	Deloitte	Santiago de Chile (Chile)	Investments and real estate	-	100
Inversiones Viales Andina Ltda.	-	Santiago de Chile (Chile)	Capital investment	-	100
Jose' Costruzioni, S.R.L.		Milan (Italy)	Construction	-	100
Outdoor King, S.A.U.	-	Madrid	Manufacturing, warehousing and distribution of manufactured goods	-	100
O&M Parc de LÀlba ST-4, S.A.	-	Barcelona	Construction, rehabilitation and maintenance of facilities	-	65
Parsipanny Corp. S.A.	Moore	Uruguay	Real Estate and Agricultural productions	-	100
Poligeneraciones parc de L´Alba ST-4	PWC	Barcelona	Construction, commissioning and maintenance of polygeneration power plants	-	79.50
Puerta de Segura, S.A.	Moore	Uruguay	Industrial, Trade	-	100
San José Constructora Perú S.A.	Deloitte	Lima (Peru)	Construction	-	100
Rincon S.A.G.		Paraguay	Development of a tourism project in the Alto Paraguay area, and agricultural and livestock activities in the same area.	-	100
Running King, S.A.U.	PWC	Pontevedra	Trade, distribution, import and export of clothes	-	100
Sociedad Concesionaria Rutas del Loa, S.A.	-	Santiago de Chile (Chile)	Construction	-	100
Sociedad Concesionaria Penitenciario de Talca, S.A	-	Santiago de Chile (Chile)	Concesiones de infraestructuras	-	100
San José BAU GmBH	Wisbert & Partner	Berlin (Germany)	Construction	-	84

Company	Company Auditor	Address	Activity	% of voting rights controlled by Parent companies	
				Direct	Direct
San José Concesiones y Servicios, S.A.U.	-	Pontevedra	Provisions of health care and social services	100	-
San José Construction Group, Inc	Forvis LLP	Washington (USA)	Construction	-	100
San José France, S.A.S.	-	Le Haillan (France)	Holding company	-	100
San José Perú Inmobiliaria, S.A.C.	Deloitte	Lima (Peru)	Construction	-	100
Sáo José Mozambique, Sociedade Limitada	-	Mozambique	Construction	-	100
San José Tecnologías Chile Ltda.	-	Santiago de Chile (Chile)	Construction	99.9	-
San Jose India Infrastructure & Construction Private Limited (*)	-	Nueva Delhi (India)	Development, construction and operation of Infrastructure	-	99.99
Sanjose Mahavir Supreme Building One Private Limited (*)	-	Nueva Delhi (India)	Construction	-	51
San José Real Estate Development, LLC	Forvis LLP	Delaware (USA)	Real Estate Development	-	100
San José Energía y Medio Ambiente, S.A.U.	-	Pontevedra	Energy production	99.99	0.01
SanJosé Nuevos Proyectos Salud, Limitada	-	Chile	Construction	-	100
SanJosé Contracting, L.L.C.	Tagi	Abu Dhabi (UAE)	Construction	-	85
Sefri Ingenieros Maroc, S.A.R.L.	-	Morocco	Engineering and installations	-	75
Sociedad Concesionaria Chile Tecnocontrol	Deloitte	Santiago de Chile (Chile)	Infrastructure Concessions	-	100
Sociedad Educacional Andina Lda.	-	Santiago de Chile (Chile)	Capital investment	-	100
San José Constructora Chile Ltda.	Deloitte	Santiago de Chile (Chile)	Construction	-	100
SJB Mullroser	Wisbert & Partner	Mullroser (Alemania)	Construction	100	-
Tecnoartel Argentina, S.A.	Auren	Buenos Aires (Argentina)	Maintenance and facilities	-	100
Tecnocontrol Servicios, S.A.U.	PWC	Tres Cantos (Madrid)	Maintenance services	-	100
Tecnocontrol Chile Ltda.	-	Santiago de Chile (Chile)	Construction	99.9	-
Trendy King, S.A.U.	-	Madrid	Trade and distribution of sport items	-	100
Udra Medios, S.A.U.	-	Pontevedra	Edition, production, reproduction and release of books, newspapers, magazines and video	100	-
Udra México S.A. de C.V.	CyA Roldán	Mexico	Construction	-	100
Udra Obras Integrales S.A. de CV	-	México	Construction	-	100
Vision King S.A.U.	-	Madrid	Trade, distribution, import and export of clothes	-	100
Xornal de Galicia, S.A.	-	Galicia	Press	-	92.73
Zivar, investimentos inmobiliarios C.	-	Portugal	Real Estate	-	52.5

(*) Companies whose accounting period differs from the calendar year, insofar as their local accounting regulations require it. The Group then carries out the corresponding temporal homogenisation process. The accounting period of the rest of the associated companies is the calendar year, which coincides with that of the parent company.

Annex II

Associates and joint companies within the scope of consolidation

Company	Company Auditor	Address	Activity	% of voting rights controlled by Parent companies	
				Direct	Direct
Associated:					
Crea Madrid Nuevo Norte, S.A.	EY	Madrid	Real Estate Development	-	10
Panamerican Mall, S.A.(*)	PWC	Buenos Aires (Argentina)	Real Estate Development	-	20
Multigroup companies:					
Cresca S.A.	EY	Misiones esquina Peru No 593, Asunción, Paraguay	Sale of any type of mix farming product and sale, rental and construction of urban and rural property	-	50
CSJ GVK Projects and Technical SS.PL.(*)	HN Patel&Co	India	Construction	-	50
Pinar de Villanueva, S.L.	-	Valladolid	Real Estate Development	-	50
Altacus Investments, S.A.	-	Madrid	Real Estate Development	-	25
Cirilla Investments, S.A.	-	Madrid	Real Estate Development	-	25
Lysistrata Investments, S.A.	-	Madrid	Real Estate Development	-	25

(*) Companies whose accounting period differs from the calendar year, insofar as their local accounting regulations require it. The Group then carries out the corresponding temporal homogenisation process. The accounting period of the rest of the associated companies is the calendar year, which coincides with that of the parent company.

Annex III - Joint Ventures

Joint ventures	Ownership %	Net revenue (*) (Thousands of Euros)
MUSEO LOUVRE ABU DHABI	33.33%	-
HOSPITAL AL-AIN	50.00%	558
MAMSHA	50.00%	-
HOTEL FAMILY	50.00%	-
UTE Ruta 20	100.00%	-
UTE Canal Velarde - Salta	83.32%	-
UTE San Juan	55.00%	-
Ute Museo Rawson	55.00%	-
UTE SOCABÓN (SJ-VIALCO-OBRAS ANDINAS)	48.47%	-
AYSA	50.00%	1,000
REGADIO PARAMO BAJO	50.00%	-
EL REGUERÓN	33.33%	-
CONSERVACIÓN A7 MURCIA	50.00%	-
CONSERVACIÓN A-30 LORCA	50.00%	-
HOSPITAL DE FERROL	46.00%	3,146
CONSERVACIÓN A-30 LORCA 2	50.00%	1,287
REMODELACIÓN EST. CHAMARTIN	25.00%	19,293
MEDIKUNTZA ETA ERIZAINTZA FAKULTATEAREN U.T.E.	50.00%	1,912
UTE HOSPITAL DE SANTIAGO	40.00%	1,311
TEC77-POLIGENERACION CERDANYOLA DEL VALLES	95.00%	-
SJT01-CENTRAL ELÉCTRICA AE.SANTIAGO	60.00%	-
CONSORCIO EL FARO	50.00%	-
Eugenia de Montijo	90.00%	-
Santa Marta Magasca	60.00%	-
Viviendas Dehesa Vieja	50.00%	-
Almanjayar	75.00%	-
Viviendas Alcosa	80.00%	-
Umbrete	100.00%	-
Ceip San José Calasanz - Bigastro	100.00%	-
Plataforma AVE Ocaña	70.00%	-
Hospital de Gandia	100.00%	-
EDIF.NUEVO AMATE SEVILLA	100.00%	-
VARIANTE PAJARES-LOTE SUR	60.00%	-
UTE EDIFICIO LUCÍA	100.00%	-
SAN JOSE EL EJIDILLO DASOTEC	60.00%	5
XARDINS DE FERROL	60.00%	551
FEDERACION FUTBOL CEUTA	100.00%	-
PONTESUR	50.00%	-

EL EJIDILLO SS.REYES	60.00%	9
FÁBRICA TABACOS	100.00%	-
HOSPITAL CACERES	60.00%	-
CENTRO SALUD AMURRIO	80.00%	-
CENTRO COMERCIAL TAMARACEITE	60.00%	-
AREA GENERACION URBANA DE JINAMAR	49.00%	-
EL EJIDILLO PARACUELLOS DEL JARAMA	60.00%	6
CONSERVACIÓN CÁCERES	50.00%	-
CORREOS CATALUÑA	100.00%	-
GALERÍA DE FOLLEDO	60.00%	-
SER MAS VERDE	25.00%	1,288
VÍA CICLISTA CENTRO HISTÓRICO CÁDIZ	100.00%	-
EDIFICIO FONTAN	50.00%	31
VIVIENDAS CALLE IRÚN	50.00%	-
ZONAS VERDES DISTR.VICÁLVARO	50.00%	-
CONTORNO GRAN VÍA	60.00%	-
JARDINES HISTÓRICOS	30.00%	315
ESCOLA BRESSOL SANTS-BADAL	50.00%	-
UTE SANGONERA TOTANA	40.00%	12,103
EL EJIDILLO VILLAVERDE	60.00%	-
RIBERA	60.00%	10,442
AREAS AJARDINADAS PARDO-ZARZUELA	60.00%	161
PARQUE POLVRANCA	60.00%	377
INSTALAC. TUNEL VARIANTE PAJARES	30.00%	6
MEJORA RIO PISUERGA	60.00%	48
AE CAMPO NOVO	55.00%	71
SEDE GRUPO PREVING BADAJOZ	50.00%	3
UTE VILLA DE AJALVIR	60.00%	218
UTE AMUSCO	40.00%	15,974
UTE FORMENTOR	60.00%	-
AUTOVÍA ENLACE ALMANZORA	40.00%	152
UTE ACUERDO MARCO ZONA NOROESTE LOTE 2	30.00%	516
UTE SAN JOSE EL EJIDILLO MADRID L4	60.00%	11,804
UTE CONSERVACION PONTESUR II	50.00%	1,231
UTE ELEVADORES PARQUESOL NORTE	60.00%	-
EL EJIDILLO SEGOVIA ZONAS VERDES	60.00%	487
ELEVADORES PARQUESOL ESTE	60.00%	-
UTE BARRIO DE TEMPRANALES	60.00%	-
UTE PCI MERCADO	50.00%	-
EL EJIDILLO SFM	60.00%	994
UTE BAÑOS PREFABRICADOS PLAN VIVE	55.00%	-
TEC87-SERVICIOS ENERGÉTICOS LAS PALMAS	50.00%	662
TEC91 UTE MANTENIMIENTO EDIFICIOS ADIF	100.00%	901
UTE ALUMBRADO CANGAS	50.00%	-
UTE SAN JOSE EL EJIDILLO ALCOBENDAS LOTE 2	60.00%	280

TXOMIN	50.00%	205
TEC89-EFICIENCIA ENERG. AYTO.VITORIA	50.00%	-
TEC90-EDIF.OFICINAS PROVENZA	50.00%	-
UTE OBRAS AMPLIACIÓN DEL MUSEO NACIONAL DE ARTE ROMANO EN MÉRIDA.	65.00%	2,682
UTE PALACIO DE DEPORTES DE TENERIFE	100.00%	10,780
UTE SAN JOSE EL EJIDILLO PARACUELLOS ZONAS VERDES	50.00%	402
UTE PARANINFO TRES CANTOS	80.00%	2,176
UTE SAN JOSE EL EJIDILLO SANSE ZONAS VERDES	60.00%	3,129
UTE EL EJIDILLO A CORUÑA	60.00%	1,325
UTE FACHADAS PREFAB. PLAN VIVE	55.00%	-
UTE CONSERVACION CACERES 2023	50.00%	1,984
UTE POLANCO SANTANDER	80.00%	1,906
UTE RESERVA BIOLOGICA "EL TOMILLO"	60.00%	135
UTE TAFALLA CAMPANAS	28.33%	4,633
UTE AC MURCIA-LORCA	40.00%	1,827
UTE BOSQUE MIYAWAKI	60.00%	20
RESTAURACIÓN JARDÍN DEL PRÍNCIPE	60.00%	229
LIMPIEZA PARACUELLOS	60.00%	1,060
EL EJIDILLO ZOA H CANAL ISABEL II	50.00%	85
BARRIO DEL CURA - VIGO	50.00%	218
INTERMODAL OURENSE	40.00%	376
UTE ESTACION ORENSE	50.00%	363
		120,677

(*) Join venture data, applying the participation coeficient

GRUPO EMPRESARIAL SAN JOSE, S.A.
and subsidiaries

Consolidated Management Report for the year ended 31 December 2024

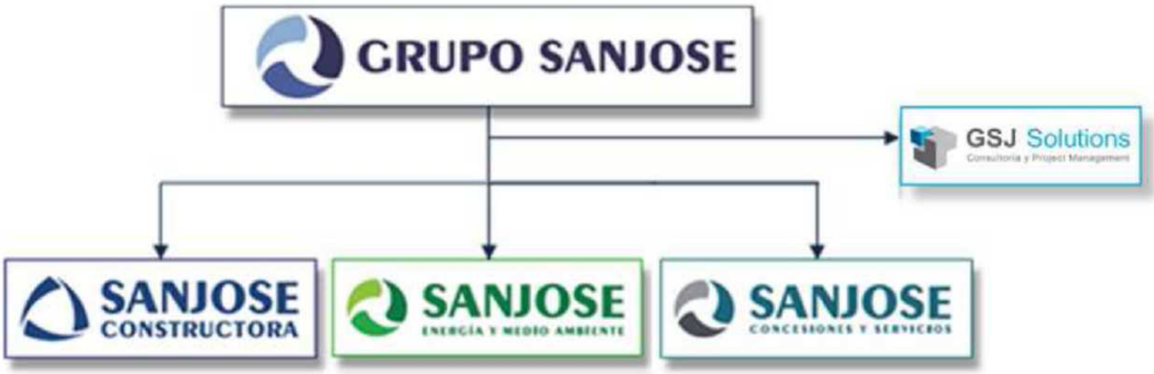
1. Situation of the Company

1.1. Organisational Structure

Grupo SANJOSE is arranged as a set of companies that operate in different sectors. Since its foundation, the main business activity of the Group is construction.

The main lines of activity developed by Grupo SANJOSE are the following:

- Construction
- Concessions and Services
- Energy and Environment
- Real estate and urban development
- Engineering & Project Management



Likewise, due to the diversification policy of the Group, the Group is present in other lines of activity, such as real estate, trade, stockbreeding and agriculture.

1.2. Performance

The Group's business model is designed with the objective of seeking diversification, both by activity and by geographical area, achieving a lower exposure to the risks inherent to a single type of activity or geographical concentration.

The Group is present in more than 15 countries spread over 4 continents, with special importance being given in Portugal and Latin America.

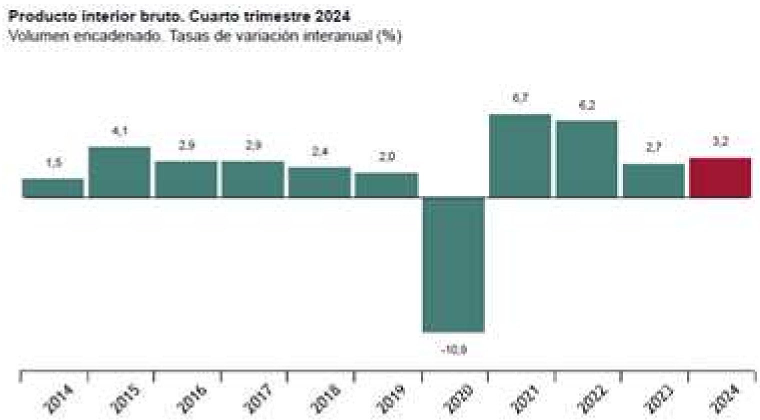
The Group's main objective is to maintain sustained growth while keeping the profitability margins of recent years, taking the construction activity as the main driver and increasing its weight in the international sphere, boosting development in the countries in which we are already present and in those with future penetration, maintaining the levels of quality in production and customer and supplier satisfaction that have already positioned Grupo SANJOSE as a benchmark in the market, analysing and encouraging the application of innovations and technological progress, and maintaining the utmost respect for the environment, not only by adequately managing and minimising the possible negative impact arising from the development of the activity, but also by carrying out efficient construction developments.

2. Business performance and results

2.1 Market and its evolution

GDP growth in 2024 was 3.2%, improving on existing forecasts. This improvement in the forecasts is due to higher than expected progress in the third quarter of 2024 and the acceleration in job creation during September and October. The growth model is pivoting towards a greater contribution from domestic demand. Domestic demand contributed 2.8 points to GDP growth in 2024, 1.1 points higher than the previous year. For its part, external demand made a contribution of 0.4 points, which was six tenths less than in 2023.

The value of GDP at current prices for the whole of 2024 stood at 1,593,136 million euros, 6.3% higher than in 2023.



Domestic demand will be the mainstay of activity throughout the projection horizon. Household consumption, which will be the component with the greatest positive contribution to GDP growth, will show increasing dynamism in the coming quarters, favoured by the increase in real incomes — in line with the expected evolution of job creation, wages and inflation —, the increase in the population and the improvement in household confidence. However, per capita consumption is not expected to return to pre-pandemic levels until 2025. Gross fixed capital formation, which is still 2.2 pp below its pre-pandemic levels, is also expected to increase over the projection horizon. In particular, in a context in which companies and households have a relatively healthy financial position in aggregate terms, the recovery in investment will be favoured by the boost from projects linked to the NGEU programme — whose deployment is expected to gain traction in 2024 and 2025 — and by some improvement in financing conditions. In any case, at the end of 2026 investment will be the component of demand with the lowest accumulated growth since 2019, which, with a broader time perspective, could weigh down the dynamism of productivity and, therefore, the potential growth capacity of the Spanish economy for the future.

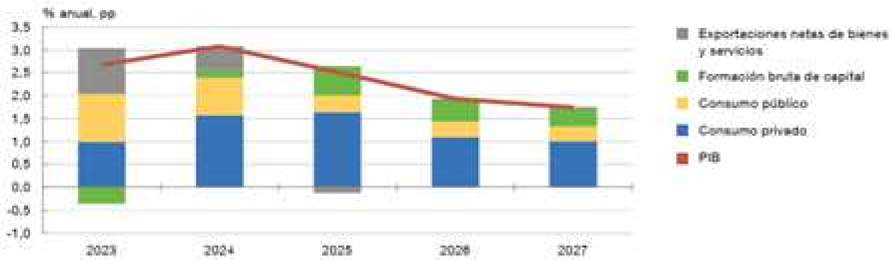
Net external demand will make a positive contribution to GDP growth in 2024, which will turn to zero in 2025-2026. Tourist flows from abroad will continue to contribute to the dynamism of activity in the coming months, driven, among other factors, by the growing geographical and seasonal diversification of foreign tourism coming to our country. For its part, the recovery projected for foreign markets will favour a gradual increase in goods exports over the projection horizon, following the fall recorded in 2023. Imports are expected to accelerate more sharply than exports, in line with the greater dynamism of gross fixed capital formation and goods exports, which are the components of final demand with the highest import content. Overall, the contribution of the foreign sector to growth will moderate in 2024 — compared to the high levels of 2022 and 2023 — and will be practically zero in the following two years.

Looking ahead to the coming months, the recovery is expected to continue, albeit in an environment shaped by two significant disruptions. On the one hand, the DANA storm that hit Valencia most severely, and on the other hand, the changes taking place in US tariff policy in 2025. Both factors could reduce growth in the coming months.

Several factors could partially offset the negative impact of these changes, consolidating a GDP increase of 2.3% in 2025 and 1.7% in 2026. Among them, a rapid, focussed and efficient economic policy response. Domestic demand will be supported by falling inflation, rising wages, increasing employment and lower interest rates. The economy has shown greater growth capacity than expected thanks to immigration, the increase in the employment rate and in productivity per hour worked.

However, some uncertainties remain. Doubts about the ability of tourism services to continue contributing to the recovery could increase to the extent that limits on their growth do not lead to greater investment. The shortage of affordable housing restricts the improvement in the quality of life and can hinder the migratory flow, which is worrying in a context of a fall in the active population of Spanish nationality. Meanwhile, investment, in general, continues to show a weak response to activity. In addition, uncertainty about economic policy remains high, pending the announcement of more measures to comply with fiscal consolidation for the following year and without a consensus on how to address the medium-term challenges.

2.a Crecimiento del PIB y contribuciones de los principales componentes



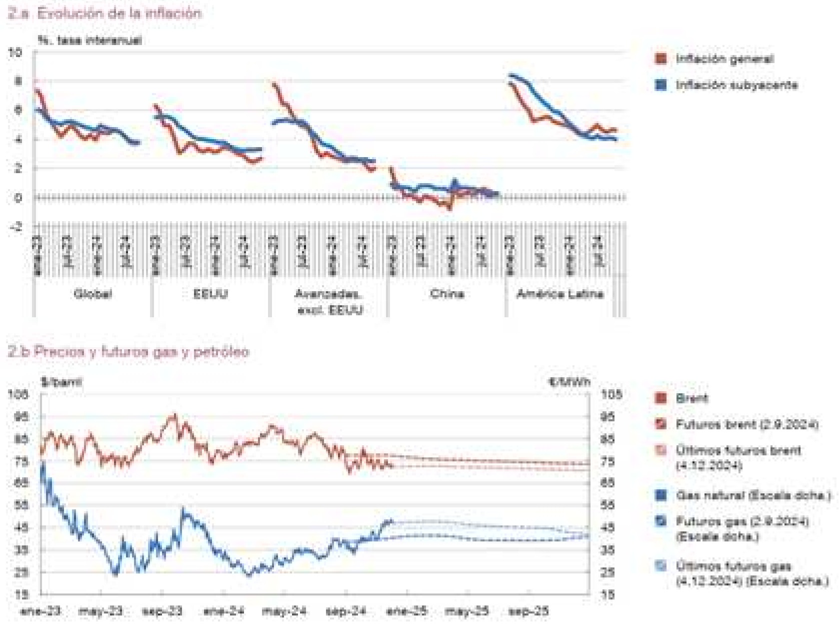
FUENTES: Banco de España e INE.

The new inflation forecasts do not incorporate significant changes with respect to those published in September and continue to envisage a path of gradual moderation of inflationary pressures. Specifically, overall inflation rates are projected to be 2.9% in 2024, 2.1% in 2025 and 1.7% in 2026. The absence of significant revisions to these rates, however, masks a slight downward revision in food and energy inflation in 2024 and 2025 — due, above all, to the downward surprises observed in recent months in these categories — which is offset by a slight upward revision in core inflation in 2024 and 2025 — in a context in which a more dynamic activity is anticipated. On the other hand, in this projection exercise, the general inflation rate forecast for 2027 is published for the first time, which would stand at 2.4%. This would mean a significant acceleration of inflationary pressures between 2026 and 2027, which, however, must be interpreted with particular caution. In particular, because this acceleration would fundamentally reflect the implementation in 2027 of the new emissions trading scheme in the EU — called ETS2 — a development about which there is extraordinary uncertainty in many dimensions.

	2024	2025	2026	2027
PIB	3,1 % ↑ 0,3 pp	2,5 % ↑ 0,2 pp	1,9 % =	1,7 %
Inflación	2,9 % =	2,1 % =	1,7 % ↓ 0,1 pp	2,4 %

FUENTE: Banco de España

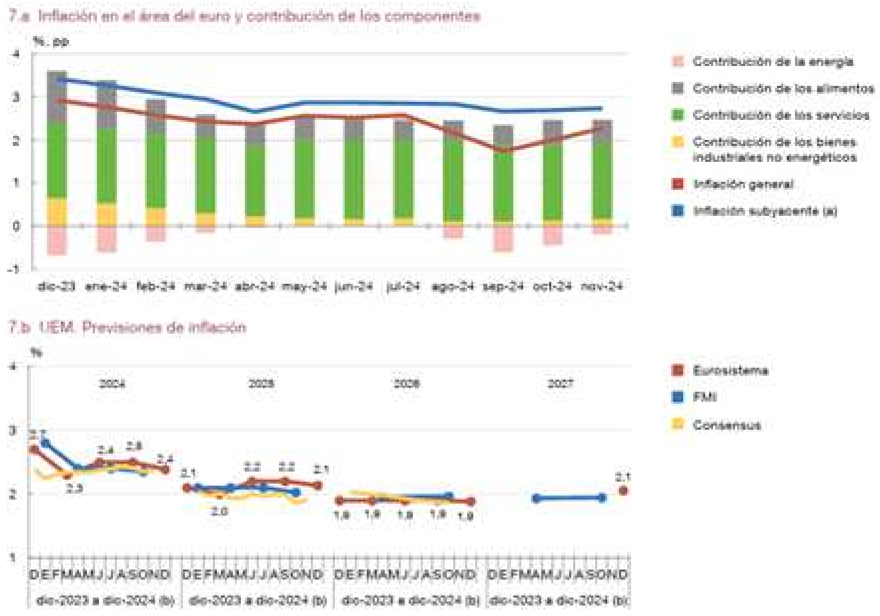
This moderate growth in activity, together with the trend towards improvement in the progress of prices, and the expectations of fiscal consolidation explain part of the fall in interest rates. Inflation in the Eurozone has been consistently around 2%, although the underlying rate shows more resistance to falling. The convergence with the ECB's objective is partly explained by the fall in oil prices, which have gone from fluctuating between 80 and 90 dollars per barrel during the first half of the year to doing so between 70 and 75 dollars during the second. Another part of the decrease to 2% is explained by the deflationary influence that the lower growth of domestic demand in China and the strategy of reducing the price of its goods exports is having. To this we must add that within the Eurozone, France, Italy and Spain have presented fiscal consolidation plans that will restrict the advance of domestic spending next year. As a result, inflation is expected to average 1.8% in both 2025 and 2026. This environment of price containment and moderate recovery has allowed markets to anticipate that monetary policy will shift from restrictive to expansionary for much of the next two years. Thus, the 12-month Euribor stood at 2.51% during the month of November, showing a considerable drop from October 2023, when it reached 4.2%.



FUENTES: Estadísticas nacionales y Refinitiv.

Future prospects will depend, to a large extent, on the changes that occur in global trade policy. The new US presidency threatens a generalised increase in tariffs. In particular, the areas with which the US economy has a trade imbalance may be especially affected. Chief among them are China and the European Union, and it is likely that the affected economies will respond with similar measures. The greatest risk is that of entering a trade war that would reverse some of the gains that globalisation has brought to families and businesses.

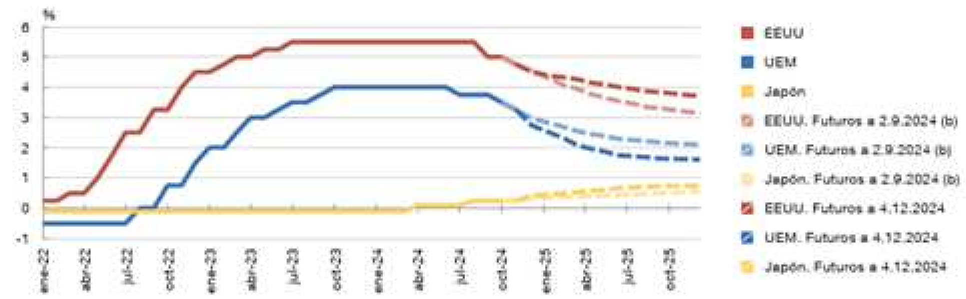
A 10% increase in tariffs on US imports from the European Union could subtract more than 1% from the GDP of the Eurozone over the next two years. This is just one example and the result will depend on the timing of the measure, the final increase in tariffs and the sectors on which it is focused. The different exposure to the US economy will mean that the consequences will vary from country to country. For example, given the assumption of a 10% increase in tariffs, the effect on Spanish GDP could be around 0.2 pp on average during 2025 and 0.7 pp in 2026, less than in the rest of the eurozone given the relatively lesser importance of trade in goods with the US. This does not mean that there are not companies, sectors or regions that may be particularly affected by the changes.



FUENTES: FMI, Consensus Economics, Eurosistema y Eurostat.

It is hoped that the European Central Bank (ECB) will assess this uncertainty and bring the cost of financing down to levels that stimulate economic activity. The neutral interest rate expected for the eurozone would be around 2.5%. In this context, the deposit facility rate could end 2024 at 3.0% and decrease a further 100 bp to 2.0% as early as June 2025, remaining there for the rest of the forecast period. The US Federal Reserve could be more cautious, given that several of the policies announced by the new administration (increased tariffs, higher fiscal deficit, restriction of immigration) would, in principle, limit the decline in inflation. The divergence that would open up in yields on either side of the Atlantic would lead to a relatively depreciated euro exchange rate against the dollar, averaging around $1.05 to the euro in 2025, with a moderate appreciation towards 2026 ($1.08).

4.a Tipos de interés oficiales observados y futuros (a)



FUENTES: Refinitiv Datastream, Banco de España y Reserva Federal.

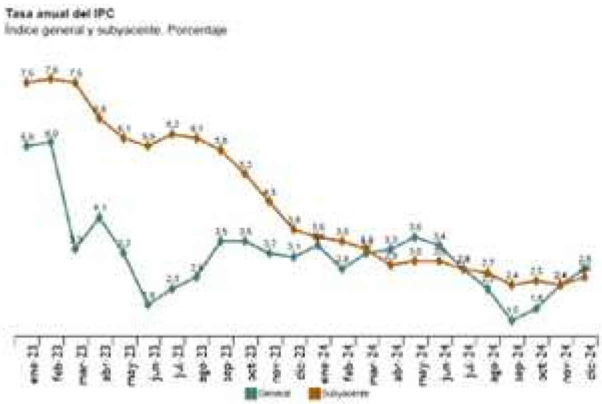
a Tipos de interés descontados por los respectivos mercados de futuros (futuros sobre el tipo de interés de la Reserva Federal en cada mes, futuros sobre el tipo de interés *overnight* del área del euro, futuros sobre el tipo de interés *overnight* de Japón).
b El 2 de septiembre es la fecha de cierre de datos del ejercicio de proyecciones del Banco de España de septiembre de 2024.

The annual rate of the general Consumer Price Index (CPI) in the month of December was 2.8%, four tenths higher than that registered the previous month. The groups that stood out most for their influence on the increase in the annual rate were:

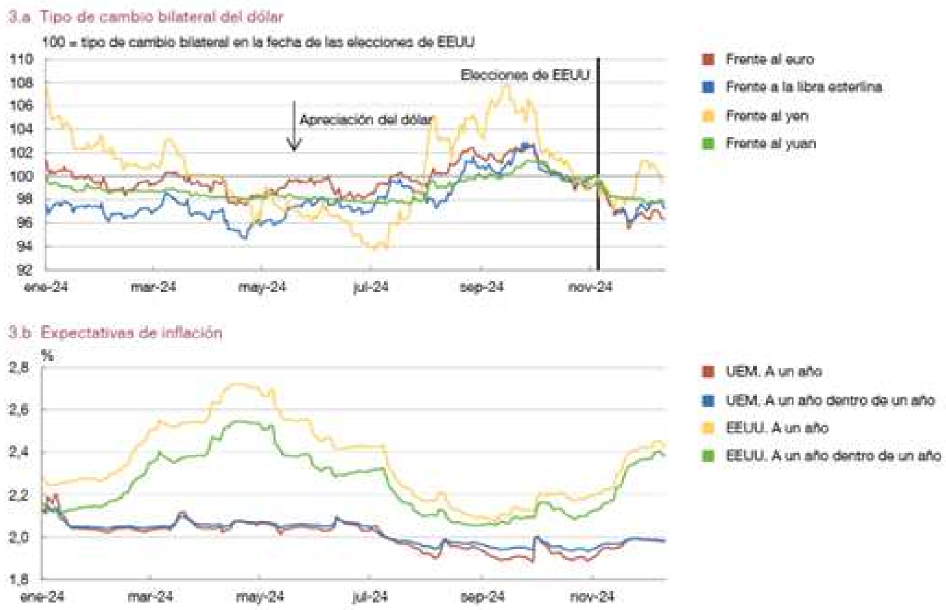
- Transport, whose annual rate increased by 1.6 points, to 0.6%. This behaviour was due to the rise in the prices of fuels and lubricants for personal vehicles, compared to the fall in December 2023.

- Leisure and culture, which placed its annual variation at 3.2%, which was 1.2 points above that of last month. This increase was mainly due to the rise in the prices of package holidays, which was greater than in the same month of 2023.

The annual rate of change in core inflation (the general index excluding unprocessed food and energy products) increased by two tenths compared to November, standing at 2.6%.



The transition is expected to consolidate towards inflation more in line with the target set for the eurozone as a whole (1.8% in 2025 and 2.0% in 2026). During the month of November, the overall inflation rate accelerated by 0.6 pp to 2.4% year-on-year, due to the base effect on energy prices. Core inflation, however, surprised on the downside, with a one-tenth drop to 2.4% year-on-year. The rebound in overall inflation has interrupted, at least temporarily, the path of improvement observed in recent months. In any case, the evolution is consistent with a downward trend that is expected to consolidate in the coming months. The aforementioned downward adjustment in the price of oil will help with this. Although it is true that the cost of gas is temporarily pushing up the electricity bill, the trend over the next few years may be favourable given the measures that companies and families have taken to ensure greater certainty in energy costs, in addition to those that have been taken to improve efficiency in the use of electricity. Likewise, the increase in the weight of renewable energy in production from 50 to 60%, between 2022 and 2024, would have pushed prices down by around 10%. Continuing with this trend would favour the provision of energy at low prices.



FUENTES: Refinitiv y Bloomberg.

Investment could be reactivated thanks to the fall in interest rates and the need to expand production capacity in certain sectors.

The delay in the renewal of machinery and equipment could begin to be corrected during the following quarters. The expansion of activity in recent years should have led to an accumulation of capital in machinery and equipment between 5 and 6% higher than what is currently observed. With greater certainty about production, transport and financial costs, it is possible that this part of gross fixed capital formation may recover more strongly in the coming months. This adjustment would be particularly relevant in sectors where the limitations to expanding activity are becoming more evident, particularly in those that have already exceeded the production levels observed before the pandemic. **Investment in machinery and equipment is expected to increase by 5.2% in 2025 and 3.8% in 2026.**

FUENTE: INE.

The recent evolution of new building permits suggests an increase in the number of homes that will come onto the market over the next two years. Rising prices, the prospects for growth in demand and greater stability in the evolution of the costs of development companies would be incentivising the advance of residential construction. The number of new housing permits has risen from an average of 9,125 per month in 2023 to 10,550 during the first nine months of 2024. This points to an 11% increase in housing starts in 2025.

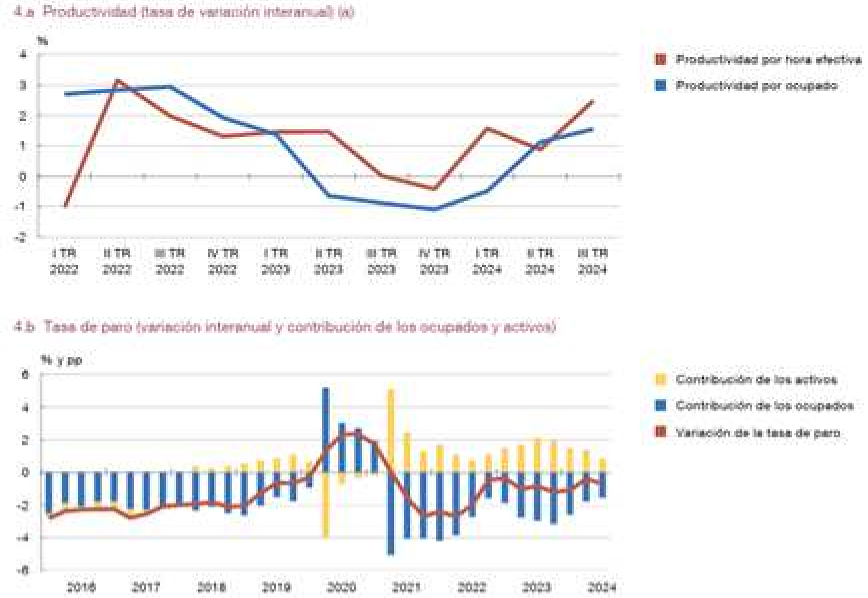
As a result, housing construction investment **is expected to accelerate in the national accounts, growing from 1.4% in 2024 to 5.3% in 2025 and 6.2% in 2026.**

The construction of housing will continue to be insufficient to reduce the imbalance between supply and demand. The expected growth in the number of completed homes (236,000 in the 2025-2026 period) would help to control the increase in prices only if the number of households stopped increasing. In a scenario of expansion and job creation such as that foreseen in this publication, this is unlikely. A labour market with a high number of unfilled vacancies will continue to attract both domestic and external labour, and no significant changes are foreseen in the factors that have led to the departure of workers from their countries of origin. In this context, a deficit of 240,000 homes on average per year is expected in 2025 and 2026, which would be added to the 553,000 accumulated between 2021 and 2024. This tension will lead to an average increase in house prices of 5.8% this year and a continued increase in 2025 and 2026 (6.1% and 4.8%, respectively). In any case, there are differences in the behaviour of prices depending on the location of the assets. Pressures will be much greater in urban or tourist environments, where a large part of the employment is being created, and in enclaves where external demand has a significant share. The lack of affordable housing can lead to a deterioration in the quality of life and act as a bottleneck to maintaining growth.

With regard to the **labour market**, job creation will continue throughout the projection horizon, although at a somewhat slower pace than that observed in recent quarters, resulting in a certain recovery in productivity. Specifically, although apparent labour productivity will continue to show considerable weakness during 2024, it is expected to experience a slight recovery throughout the rest of the projection horizon, reaching growth rates consistent with its historical evolution. The unemployment rate will continue to fall over the coming years, although at a slower pace than in previous years, due both to the expected moderation in the rate of job creation and to the expected growth of the labour force — which, as in recent years, will continue to be driven by relatively high immigration flows. As a result of all this, the unemployment rate in the Spanish economy will still remain above 11% in 2026.

The employment rate among the population aged over 20 and under 65 has exceeded its all-time high. The improvement has been particularly significant in the 54-64 age group, which has risen from 45% in 2007 to 61% today. On the one hand, this reflects demographic and sociological changes: generations with relatively higher employment rates than their parents are now getting older. On the other hand, it may also reflect changes in the production model or in public policies that reduce the likelihood of being unemployed at a certain age.

Productivity is growing at the same time as the number of hours worked is increasing. Historically, progress in the former only occurred when the latter fell. This was the case during the period 2009-2013. In previous expansions, stagnating hourly productivity was the norm. However, during the last two years, an expansion in the number of hours worked has coincided with a similar improvement in hourly productivity. This is particularly interesting given the lack of reaction that investment has had on the recovery of activity. All in all, there are reasonable doubts about how sustainable this growth pattern is and what the underlying causes are.



FUENTES: Banco de España e INE.

a Datos desestacionalizados.

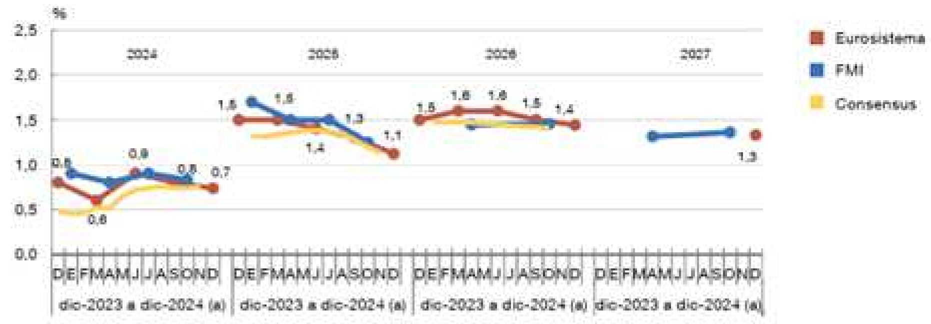
Uneven and uncertain global growth

Global growth is projected to be 3.3% in both 2025 and 2026, below the historical average (2000–19) of 3.7%. The forecast for 2025 is virtually unchanged from the October 2024 edition of the World Economic Outlook (WEO report), mainly because the upward revision in the United States offsets downward revisions in other major economies. Global headline inflation is projected to decline to 4.2% in 2025 and 3.5% in 2026, converging toward the target level sooner in advanced economies than in emerging market and developing economies

In the medium-term risk balance with respect to the baseline scenario, adverse factors outweigh, while the short-term outlook is characterised by risks with divergent effects. In the United States, there are signs of improvement that could boost already strong short-term growth, while in other countries the outlook is likely to be revised downwards amid high political uncertainty. Policy-induced shocks to the ongoing disinflation process could disrupt the shift towards monetary policy easing, with implications for fiscal sustainability and financial stability. To manage these risks, policies must focus on balancing the trade-offs between inflation and real activity, on rebuilding room for manoeuvre and on improving the medium-term growth outlook by accelerating structural reforms and strengthening multilateral rules and cooperation.

The global economy remains strong, although the degree of strength varies considerably from country to country. Global GDP growth in the third quarter of 2024 was 0.1 percentage points lower than forecast in the WEO report of October 2024, following the announcement of disappointing data from certain Asian and European economies. In China, growth of 4.7% year-on-year fell short of expectations. Faster-than-expected growth in net exports could only partially offset the sharper-than-expected slowdown in consumption, amid the delayed stabilisation of the property market and continued low consumer confidence. In India, growth also slowed more than expected, mainly due to a sharper than expected slowdown in industrial activity. Growth in the euro zone remained moderate (Germany's performance was lower than that of other euro zone countries), largely due to the continued weakness of goods exports and manufacturing, despite the recovery in consumption following the improvement in real incomes. In Japan, output contracted slightly due to temporary supply disruptions. In contrast, the United States maintained strong momentum and, during the third quarter, economic activity grew at a rate of 2.7% year-on-year, driven by strong consumption.

6.a UEM. Previsiones de crecimiento del PIB

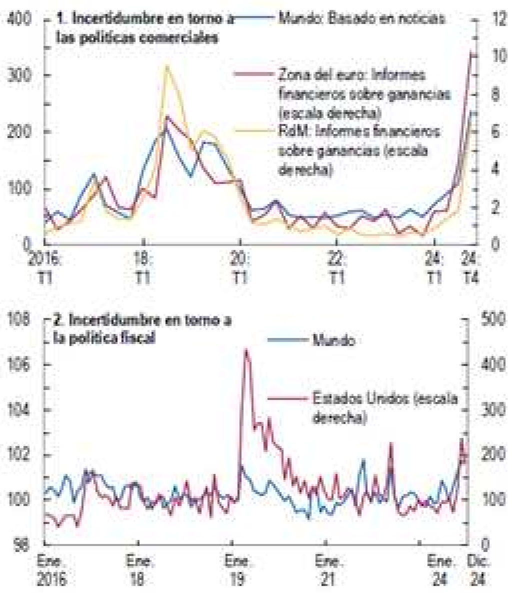


FUENTES: FMI, Consensus Economics y Eurosistema.

The *global financial conditions* remain generally accommodative, with some differences between jurisdictions. In advanced economies, the stock market has rebounded on expectations that more business-friendly policies will be adopted in the United States. In emerging market and developing economies, stock valuations have been more moderate. In addition, the general strengthening of the US dollar, driven mainly by expectations of new tariffs and higher interest rates in the United States, has meant that financial conditions remain more restrictive.

Uncertainty surrounding economic policies has skyrocketed, especially with regard to trade and fiscal issues, although there are certain differences between countries. Expectations that the newly elected governments in 2024 will reorient policies have determined prices in the financial markets in recent months. Episodes of political instability in some countries in Asia and Europe have made markets nervous and increased uncertainty linked to the stalling progress of fiscal and structural policies. Geopolitical tensions, particularly in the Middle East, as well as global trade frictions, remain high.

Gráfico 1. Incertidumbre en torno a las políticas
(índice, salvo indicación distinta)



Fuentes: Baker, Bloom y Davis 2016; Caldara *et al.*, 2020; Refinitiv Eikon, y cálculos del personal técnico del FMI.

According to IMF projections, energy commodity prices are expected to decline by 2.6% in 2025, a steeper decline than forecast in October. This is due to a fall in oil prices caused by weak Chinese demand and strong supply from non-OPEC+ countries (the Organisation of the Petroleum Exporting Countries plus some non-member countries, including Russia), which has been partly offset by higher gas prices caused by lower than expected temperatures and supply disruptions, in particular caused by the current conflict in the Middle East and disruptions in gas fields. Non-fuel commodity prices are projected to increase by 2.5% in 2025, due to upward revisions in food and beverage prices relative to the October 2024 WEO report, due to poor weather conditions affecting major producers. The monetary policy rates of the major central banks are expected to continue to decline, albeit at different rates, due to variations in the outlook for growth and inflation. The fiscal policy stance is expected to become more restrictive during the period 2025–26 in advanced economies, particularly in the United States and, to a lesser extent, in emerging market and developing economies.

Global growth is expected to remain stable, albeit slow. Growth forecasts of 3.3% in 2025 and 2026 are below the historical average (2000–19) of 3.7% and remain broadly unchanged from October (Table 1; see also Table 1 in the appendix). However, the general picture conceals the divergent trajectories of the different economies and a precarious global growth profile (graph 2).

In the case of the *advanced economies*, the revisions to growth forecasts point in different directions. In the *United States*, underlying demand remains solid, thanks to strong wealth effects, a less restrictive monetary policy stance and favourable financial conditions. Growth is projected to be 2.7% in 2025. This figure is 0.5 percentage points higher than that forecast in October and, in part, reflects the carry-over of funds from 2024, and among other signs, it accounts for the strength of the labour markets and the acceleration of investment. Growth is expected to moderate to its potential level in 2026.

In the *eurozone*, growth is expected to rebound, but at a more gradual pace than forecast in October, as geopolitical tensions continue to affect market sentiment. Weaker-than-expected activity at the end of 2024, particularly in the manufacturing sector, as well as increased uncertainty about the political and policy landscape, explain the downward revision of 0.2 percentage points to 1.0% in 2025. In 2026, growth is expected to increase to 1.4%, supported by strong domestic demand, as financial conditions relax, confidence improves and uncertainty dissipates to some extent.

In *other advanced economies*, two offsetting forces keep growth forecasts relatively stable. On the one hand, the increase in real income should support the cyclical recovery in consumption. On the other hand, factors holding back trade - including a marked increase in uncertainty surrounding trade policies - are expected to keep investment moderate.

In *emerging market and developing economies*, growth rates in 2025 and 2026 are expected to be broadly equivalent to those in 2024. Compared to the October projections, growth in the *People's Republic of China* in 2025 has been revised marginally upwards by 0.1 percentage points to 4.6%. This revision reflects carry-over from 2024 and the fiscal programme announced in November, which largely neutralise the negative effect on investment of increased uncertainty surrounding trade policies and the drag on the property market. For 2026, growth is expected to remain broadly stable at 4.5% as the effects of uncertainty over trade policies dissipate and the increase in the retirement age slows the decline in labour supply. In India, growth is expected to be a solid 6.5% in 2025 and 2026, as announced in October and in line with its potential.

In the *Middle East and Central Asia*, growth is projected to rebound, but less strongly than anticipated in October. This is mainly due to a downward revision of 1.3 percentage points in *Saudi Arabia's* growth in 2025, mainly due to the continuation of OPEC+ production cuts. In *Latin America and the Caribbean*, global growth is expected to accelerate slightly to 2.5% in 2025, despite the expected slowdown in the region's major economies. In *sub-Saharan Africa*, growth is expected to rebound in 2025, while in the *emerging and developing economies of Europe*, it will slow down.

Gráfico 2. Pronóstico de crecimiento para 2025
(porcentaje)

Fuente: Cálculos del personal técnico del FMI.

Progress in deflation is expected to continue. Deviations from the forecasts of the October 2024 WEO report are minimal. The gradual cooling of labour markets should curb demand pressures. Adding in the expected decline in energy prices, headline inflation should continue to decline towards the levels targeted by central banks. That said, inflation in the United States is projected to be close to, but above, the 2% target by 2025, while more moderate inflationary dynamics are expected for the euro area. Inflation in China is expected to remain low. As a result, the gap between expected policy rates in the United States and other countries is widening.

The risk of a resurgence of inflationary pressures could lead central banks to raise monetary policy rates, thus accentuating the divergence between policies. Keeping interest rates high for longer could exacerbate fiscal, financial and external risks. A stronger US dollar due to interest rate differentials and tariffs, among other factors, could alter the patterns of capital flows and global imbalances and complicate macroeconomic trade-offs.

In addition to the risks associated with changes in economic policy, geopolitical tensions could intensify, causing further escalations in commodity prices. Conflicts in the Middle East and Ukraine could worsen, and this would have a direct impact on trade routes and on food and energy prices. Countries that import raw materials may be particularly affected, with the stagflationary impact of rising commodity prices being aggravated by the appreciation of the dollar.

Cuadro 1.1. **PRODUCTO INTERIOR BRUTO** (PROMEDIO ANUAL, %)

	2022	2023	2024	2025	2026
EE. UU.	2,5	2,9	2,7	2,0	2,1
Eurozona	3,6	0,5	0,8	1,0	1,1
China	3,0	5,2	4,8	4,1	4,0
Mundo	3,6	3,3	3,2	3,1	3,3

* Argentina, Brasil, Chile, Colombia, México, Paraguay, Perú y Uruguay.
Fecha de cierre de previsiones: 3 diciembre 2024.
Fuente: BBVA Research y FMI.

Cuadro 1.2. **INFLACIÓN** (PROMEDIO ANUAL, %)

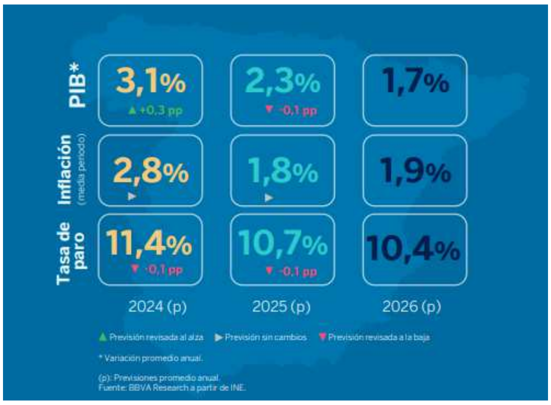
	2022	2023	2024	2025	2026
EE. UU.	8,0	4,1	2,9	3,0	2,8
Eurozona	8,4	5,4	2,4	2,0	1,8
China	2,0	0,2	0,3	0,6	1,0
Mundo	9,2	7,5	6,9	4,4	3,6

* Argentina, Brasil, Chile, Colombia, México, Paraguay, Perú y Uruguay.
Fecha de cierre de previsiones: 3 diciembre 2024.
Fuente: BBVA Research y FMI.

Cuadro 1.5. **TIPOS DE INTERÉS OFICIALES** (FIN DE PERIODO, %)

	2022	2023	2024	2025	2026
EE. UU.	4,50	5,50	4,50	4,00	3,00
Eurozona	2,00	4,00	3,00	2,00	2,00
China	3,65	3,45	3,00	2,50	2,50

Fecha de cierre de previsiones: 3 diciembre 2024.
Fuente: BBVA Research y FMI.



The main macroeconomic projections for the Spanish economy prepared by the Banco de España are shown below:

Proyección de las principales macromagnitudes de la economía española (a)

Tasas de variación anual sobre el volumen (%) y en porcentaje del PIB

		Proyecciones de diciembre de 2024			
	2023	2024	2025	2026	2027
PIB	2,7	3,1	2,5	1,9	1,7
Consumo privado	1,8	2,8	2,9	2,0	1,8
Consumo público	5,2	4,2	1,9	1,8	1,7
Formación bruta de capital	-1,6	0,8	3,1	2,2	1,9
Exportación de bienes y servicios	2,8	3,3	3,0	3,2	2,9
Importación de bienes y servicios	0,3	2,1	3,8	3,5	3,2
Demanda nacional (contribución al crecimiento)	1,7	2,6	2,6	1,9	1,7
Demanda exterior neta (contribución al crecimiento)	1,0	0,5	-0,1	0,0	0,0
PIB nominal	9,1	6,3	4,8	3,8	4,0
Deflactor del PIB	6,2	3,1	2,2	1,8	2,2
IAPC	3,4	2,9	2,1	1,7	2,4
IAPC sin energía ni alimentos	4,1	2,9	2,3	1,9	1,8
Empleo (personas)	3,0	2,1	1,6	1,1	1,0
Empleo (horas)	2,0	1,2	1,3	1,1	1,0
Tasa de paro (% de la población activa). Media anual	12,2	11,5	10,8	10,4	9,9
Capacidad (+) / necesidad (−) de financiación de la nación (% del PIB)	3,7	4,1	4,2	4,2	3,6
Capacidad (+) / necesidad (−) de financiación de las AAPP (% del PIB)	-3,5	-3,4	-2,9	-2,7	-2,7
Deuda de las AAPP (% del PIB)	105,1	103,1	102,6	102,5	101,8

FUENTES: Banco de España e INE.
NOTA: Último dato publicado de la CNTR: avance del tercer trimestre de 2024.

a Fecha de cierre de las proyecciones: 27 de noviembre de 2024.

2.2 Main magnitudes of the GROUP

The main consolidated magnitudes of the Grupo SANJOSE for the 2024 financial year are shown below:

Consolidated balance sheet:

Thousands of euros

	Dec. 2024		Dec. 2023		
	Amount	%	Amount	%	Var.
Intangible assets	13,608	1.0%	15,480	1.4%	-12.1%
Property, plant and equipment	89,187	6.8%	82,789	7.3%	7.7%
Real state investments	18,054	1.4%	11,682	1.0%	54.5%
Investments accounted for using the equity method	49,652	3.8%	22,841	2.0%	117.4%
Long term finantial investments	24,889	1.9%	19,520	1.6%	27.5%
Deferred taxes assets	18,943	1.5%	18,392	1.6%	3.0%
Goodwill on consolidation	9,984	0.8%	9,984	0.9%	0.0%
TOTAL NON-CURRENT ASSETS	**224,317**	**17.2%**	**180,688**	**15.9%**	**24.1%**
Inventories	87,790	6.7%	77,489	6.8%	13.3%
Trade and other receivables	498,743	38.2%	463,369	40.8%	7.6%
Other short term finantial investments	9,598	0.7%	4,919	0.4%	95.1%
Short-term accruals	2,540	0.2%	3,251	0.3%	-21.9%
Cash and cash equivalents	481,106	36.9%	406,764	35.8%	18.3%
TOTAL CURRENT ASSETS	**1,079,777**	**82.8%**	**955,792**	**84.1%**	**13.0%**
TOTAL ASSETS	**1,304,094**	**100.0%**	**1,136,480**	**100.0%**	**14.7%**

Thousands of euros

	Dec. 2024		Dec. 2023		
	Amount	%	Amount	%	Var.
Equity attributable to shareholders of the parent	218,216	16.7%	181,382	16.0%	20.3%
Minority interest	34,485	2.6%	35,536	3.0%	-3.0%
TOTAL EQUITY	**252,701**	**19.4%**	**216,918**	**19.1%**	**16.5%**
Long term provisions	45,054	3.5%	39,727	3.5%	13.4%
Long term finantial liabilities	102,837	7.8%	100,876	8.9%	1.9%
Deferred taxes liabilities	17,083	1.3%	12,250	1.1%	39.5%
Long-term accruals	775	0.1%	751	0.1%	3.2%
TOTAL NON CURRENT LIABILITIES	**165,749**	**12.7%**	**153,604**	**13.5%**	**7.9%**
Short term provisions	31,195	2.4%	29,231	2.6%	6.7%
Short term finantial liabilities	14,525	1.1%	15,131	1.3%	-4.0%
Trade accounts and other current payables	839,924	64.4%	721,596	63.6%	16.4%
TOTAL CURRENT LIABILITIES	**885,644**	**67.9%**	**765,958**	**67.5%**	**15.6%**
TOTAL EQUITY & LIABILITIES	**1,304,094**	**100.0%**	**1,136,480**	**100.0%**	**14.7%**

Consolidated net Equity: at 31 December 2024, the Group's Equity amounts to EUR 252.7 million, an increase of 16.5% compared to year-end 2023, representing 19.4% of total consolidated assets at that date.

Consolidated management profit and loss account

Thousands of euros

	Grupo SANJOSE				
	Year 2024		Year 2023		
	Amount	%	Amount	%	Var.
Revenue	**1,557,766**	**100.0%**	**1,335,835**	**100.0%**	**16.6%**
Other operating income	8,144	0.5%	12,022	0.9%	-32.3%
Change in i nventories	-2,345	-0.2%	-1,671	-0.1%	40.3%
Procurements	-1,161,181	-74.5%	-977,079	-73.1%	18.8%
Staff costs	-194,598	-12.5%	-173,003	-13.0%	12.5%
Other operating expenses	-133,644	-8.6%	-134,122	-10.0%	-0.4%
EBITDA	**74,142**	**4.8%**	**61,982**	**4.6%**	**19.6%**
Amortisation chargue	-14,134	-0.9%	-11,837	-0.9%	19.4%
Imparment on inventories	-882	-0.1%	-419	0.0%	110.5%
Changes in trade provisions and other imparment	-10,533	-0.7%	-10,898	-0.8%	-3.3%
EBIT	**48,593**	**3.1%**	**38,828**	**2.9%**	**25.1%**
Ordinary finantial results	9,736	0.6%	5,539	0.4%	75.8%
Changes in fair value for finantial instruments	-30	0.0%	-179	0.0%	-
Foreign exchangue results and others	-5,744	-0.4%	-4,280	-0.3%	34.2%
Impairment and profit/(loss) from disposal of finacial instrume	-4,447	-0.3%	-7,410	-0.6%	-40.0%
NET FINANTIAL RESULT	**-485**	**0.0%**	**-6,330**	**-0.5%**	**-92.3%**
Results on equity method	-604	0.0%	-643	0.0%	-6.1%
PROFIT BEFORE TAX	**47,504**	**3.0%**	**31,855**	**2.4%**	**49.1%**
Income tax	-15,107	-1.0%	-10,443	-0.8%	44.7%
CONSOLIDATED PROFIT	**32,397**	**2.1%**	**21,412**	**1.6%**	**51.3%**

- **Gross operating profit for the period**: EBITDA for the year 2024 amounts to EUR 74.1 million.
- **Profit for the year**: EUR 32.4 million, an increase of 51.3% compared to 2023.

Alternative Performance Measures (APMs):

In its consolidated financial statements for the financial year 2024, the Group presents its results in accordance with generally accepted accounting principles. However, the Group's management believes that certain alternative performance measures (APMs) reflect a true and fair view of its financial information and provide useful additional financial information that it uses in managing the business, which it believes should be considered in order to properly assess the Group's performance.

Among others, the Group identifies the following APM:

- **EBITDA:** Gross operating profit, calculated on the basis of operating profit, excluding the amount of depreciation, provisions and impairment losses recognised or reversed during the period, as well as the gain or loss on the disposal of fixed assets.

- **Net financial debt (NFC) / Net cash position:** Total amount of bank and non-bank financial debt, including finance lease payables and the valuation of obligations associated with financial derivative instruments, net of the amount recorded under the balance sheet headings "Other current financial assets" and "Cash and cash equivalents" on the current assets side of the balance sheet

- **Portrfolio:** In concession contracts, the total amount of sales contracted by Group companies with customers, net of the portion realised and recognised as revenue in the profit and loss account, In concession contracts, the total amount of sales is identified with the best estimate made by the Group, which is included in the economic-financial business plan of the concession.

Turnover:

The accumulated net accumulated turnover (INCN) of Grupo SANJOSE for the fiscal year 2024 is 1,557.8 million euros.

The main activity of Grupo SANJOSE is construction, representing 92.1% of the Group's total turnover, and accounting for 80% of the Group's total portfolio as at 31 December 2024.

The distribution of Grupo SANJOSE's turnover by activity is as follows:

Thousands of euros

Revenues by activity	Grupo SANJOSE Year 2024		Year 2023		Var.(%)
Construction	1,434,719	92.1%	1,205,383	90.2%	19.0%
Real estate and property development	7,629	0.5%	15,508	1.2%	-50.8%
Energy	10,143	0.7%	14,496	1.1%	-30.0%
Concessions and services	79,509	5.1%	74,749	5.6%	6.4%
Adjustment and other	25,766	1.7%	25,699	1.9%	0.3%
TOTAL	**1,557,766**		**1,335,835**		**16.6%**

The domestic market shows great strength, having grown by 19.6% compared to the previous year, and representing 84% of the Group's total revenues.

Turnover obtained in international markets amounted to 251.8 million euros, representing 16% of the Group's total income.

Thousands of euros

Revenues by geography	Grupo SANJOSE Year 2024		Year 2023		Var.(%)
National	1,306,010	84%	1,091,662	82%	19.6%
International	251,756	16%	244,173	18%	3.1%
TOTAL	**1,557,766**		**1,335,835**		**16.6%**

Operating profit:

The **Gross operating profit** (**EBITDA)** of Grupo SANJOSE for the year 2024 amounts to 74.1 million euros, representing a margin of 4.8% of net turnover, with an increase of 19.6% compared to the financial year 2023.

The breakdown of EBITDA by activity is as follows:

Thousands of euros

EBITDA by activity	Grupo SANJOSE				
	Year 2024		Year 2023		Var.(%)
Construction	59,842	80.8%	39,863	64.3%	50.1%
Real estate and property development	1,022	1.4%	3,939	6.4%	-74.1%
Energy	2,232	3.0%	3,721	6.0%	-40.0%
Concessions and services	4,127	5.6%	3,182	5.0%	29.7%
Adjustment and other	6,919	9.3%	11,277	18.2%	-38.6%
TOTAL	**74,142**		**61,982**		**19.6%**

The **operating profit (EBIT)** of Grupo SANJOSE stands at 48.6 million euros, representing a margin of 3.1% of net turnover (2.9% in the financial year 2023).

The **net result** of Grupo SANJOSE is 32.4 million euros, an increase of 51.3% compared to the 2023 financial year.

Portfolio

As of 31 December 2024, the Group's order portfolio totals 3,188 million euros, having experienced an increase of 19.8% with respect to the order portfolio at the end of 2023.

The portfolio of the construction area, Grupo SANJOSE's main activity, stands at 2,537 million euros (2,107 million euros at the end of 2023), representing 80% of the Group's total portfolio to date.

The detail of the Group's portfolio at 31 December 2024 and 2023 is as follows:

Millions of euros

BACKLOG by segment	Grupo SANJOSE Dec. 2024		Dec. 2023		Var.(%)
Construction	**2,537**	**80%**	**2,107**	**79%**	**20.4%**
Civil works	512	16%	264	10%	93.9%
Non residential building	754	24%	746	28%	1.1%
Residential building	1,124	35%	943	36%	19.2%
Industrial	147	4.6%	154	6%	-4.5%
Energy	**304**	**9%**	**346**	**13%**	**-12.1%**
Concessions and services	**347**	**11%**	**209**	**8%**	**66.0%**
Maintenance	26	1%	22	1%	18.2%
Concessions	321	10%	187	7%	71.7%
TOTAL BACKLOG	**3,188**	**100%**	**2,662**	**100%**	**19.8%**

Millions of euros

BACKLOG by geography	Grupo SANJOSE Dec. 2024		Dec. 2023		Var.(%)
National	**2,523**	**79%**	**2,254**	**85%**	**11.9%**
International	**665**	**21%**	**408**	**15%**	**63.0%**
TOTAL BACKLOG	**3,188**		**2,662**		**19.8%**

Millions of euros

BACKLOG by client	Grupo SANJOSE Dec. 2024		Dec. 2023		Var.(%)
Public client	**1,286**	**40%**	**799**	**30%**	**61.0%**
Private client	**1,902**	**60%**	**1,863**	**70%**	**2.1%**
TOTAL BACKLOG	**3,188**		**2,662**		**19.8%**

2.3 Group performance by segment

Construction

The revenues obtained in the financial year 2024 in this line of business amount to 1,434.7 million euros, an increase of 19% compared to the financial year 2023.

EBITDA stands at EUR 59.8 million, representing a margin of 4.2% of turnover (3.3% in 2023).

Profit before tax amounted to EUR 38.7 million, an increase of 148% compared to 2023.

As at 31 December 2024, the Group's contracted construction backlog amounted to EUR 2,537 million, an increase of 20.4% compared to year-end 2023.

Thousands of euros

CONSTRUCTION	Grupo SANJOSE Year 2024	Year 2023	Var.(%)
Revenue	1,434,719	1,205,383	19.0%
Earnings before interest, taxes, D&A (EBITDA)	59,842	39,863	50.1%
EBITDA margin	4.2%	3.3%	
Earnings before interest and taxes (EBIT)	38,470	21,403	79.7%
EBIT margin	2.7%	1.8%	
Earnings before tax	38,698	15,605	148.0%

The breakdown of the turnover of this line of activity of Grupo SANJOSE, according to the main lines of business that comprise it, as well as the geographic area, is as follows:

Thousands of euros

DETAIL OF CONSTRUCTION REVENUES	Grupo SANJOSE National		Internat.		Total	
Civil works	78,768	6.5%	1,970	0.9%	**80,738**	5.6%
Non residential building	391,047	32.0%	131,174	61.2%	**522,221**	36.4%
Residential building	645,686	52.9%	80,762	37.5%	**726,448**	50.6%
Industrial	105,212	8.6%	100	0.0%	**105,312**	7.2%
TOTAL	**1,220,713**	**85%**	**214,006**	**15%**	**1,434,719**	

Construction revenues in Spain amounted to 1,220.7 million euros, an increase of 21.2% with respect to 2023, representing 85% of the total for this line of business.

The revenue figure for the construction activity in the international sphere is 214 million euros, representing 15% of the total, with an increase of 8% with respect to 2023.

Real estate and urban development:

The revenue figure for the Group's real estate activity in FY 2024 is mostly from the Group's activity in Peru, and relates to the development, marketing and delivery of homes in the "Condominio Nuevavista" development in Lima, Peru. Work on this project, which involves the construction of a total of 1,104 homes in 10 buildings, began in 2018, with the sale of the project being substantially completed in the current financial year 2024.

Turnover amounted to EUR 7.6 million, resulting in EBITDA of EUR 1 million, which represents a margin of 13.4% of revenue.

Thousands of euros

REAL ESTATE AND PROPERTY DEVELOPMENT	Grupo SANJOSE Year 2024	Year 2023	Var.(%)
Revenue	7,629	15,508	-50.8%
Earnings before interest, taxes, D&A (EBITDA)	1,022	3,939	-74.1%
EBITDA margin	13.4%	25.4%	
Earnings before interest and taxes (EBIT)	-328	4,201	--
EBIT margin	-4.3%	27.1%	
Earnings before tax	-148	2,495	--

Energy:

The Group's turnover for the energy business line in the financial year 2024 amounts to EUR 10.1 million.

EBITDA stands at 2.2 million euros, representing a margin of 22% of sales.

Thousands of euros

ENERGY	Grupo SANJOSE Year 2024	Year 2023	Var.(%)
Revenue	10,143	14,496	-30.0%
Earnings before interest, taxes, D&A (EBITDA)	2,232	3,721	-40.0%
EBITDA margin	22.0%	25.7%	
Earnings before interest and taxes (EBIT)	1,121	2,076	-46.0%
EBIT margin	11.1%	14.3%	
Earnings before tax	809	1,525	-47.0%

In reference to this line of activity, at 31 December 2024, Grupo SANJOSE has a contracted portfolio of 304 million euros, which will materialize as the Group's largest activity over a period of approximately 24 years.

For the energy activity portfolio, the Group considers normal production and operation of the contracts it has in force, carrying out periodic reviews due to the effect of regulatory changes and estimated occupancy and demand levels based on criteria of prudence, making the necessary adjustments when these become apparent.

Concessions and Services:

The Group's revenue for this line of business in financial year 2024 amounts to EUR 79.5 million.

EBITDA stands at EUR 4.1 million, representing a margin on sales for the period of 5.2%.

Thousands of euros

CONCESSIONS AND SERVICES	Grupo SANJOSE Year 2024	Year 2023	Var.(%)
Revenue	79,509	74,749	6.4%
Earnings before interest, taxes, D&A (EBITDA)	4,127	3,182	29.7%
EBITDA margin	5.2%	4.3%	
Earnings before interest and taxes (EBIT)	3,139	614	411.2%
EBIT margin	3.9%	0.8%	
Earnings before tax	4,931	3,991	23.6%

At 31 December 2024, the Group's contracted portfolio in this line of business amounted to EUR 347 million, 66% higher than at the end of the previous year.

2.4 Average payment period to suppliers

During 2024, there have been no significant changes in the Group's average payment period to its suppliers.

The Group has paid its suppliers in 2024 with a weighted average payment period of approximately 31 days (43 days on average in 2023). This figure is within the legal average period established by Law 15/2010, which is 30 days, extended to 60 days in those cases with agreements between the parties.

During the 2024 financial year, the total number and amount of invoices paid to suppliers by the Spanish Group companies, detailing those paid in a period shorter than the maximum period established in the legislation in force, is as follows:

	Year 2024	Year 2023
Number of invoices paid to suppliers with a period of less than 60 days	130,411	102,465
% of total number of invoices paid	91.4%	85.0%
Payments to suppliers with a period of less than 60 days	1,165,639	835,295
% of total invoices paid	91.8%	85.0%

The payment of invoices after the maximum term is mainly due to incidents in the delivery of the product or performance of the contracted service. Any payments to trade creditors that exceed the legally stipulated deadlines are generally due to standard industry practice and can be considered an objective and non-abusive reason in accordance with the aforementioned regulations. In these cases the financial costs are borne by the Group companies and are documented in the various contracts signed with suppliers.

3. Liquidity and capital resources

Liquidity

The Group manages liquidity risk prudently, based on maintaining sufficient cash and marketable securities, the availability of funding through sufficient committed credit facilities and sufficient capacity to liquidate market positions. The Group determines its cash requirements through the cash budget, with a 12-month time horizon.

Cash is managed centrally in order to achieve maximum optimisation of resources through cash pooling systems. In the event of occasional cash surpluses, temporary investments are made in highly liquid and risk-free deposits.

Details of the Group's net cash position at 31 December 2024 and 2023 are as follows:

Thousands of euros

NET CASH POSITION	Dec. 2024		Dec. 2023		
	Amount	%	Amount	%	Var.
Other short term finantial investments	9,598	2.0%	4,919	1.2%	95.1%
Cash and cash equivalents	481,106	98.0%	406,764	98.8%	18.3%
Total cash	**490,704**	**100%**	**411,683**	**100%**	**19.2%**
Long term finantial liabilities	102,837	87.6%	100,876	87.0%	1.9%
Short term finantial liabilities	14,525	12.4%	15,131	13.0%	-4.0%
Total debt	**117,362**	**100%**	**116,007**	**100%**	**1.2%**
TOTAL NCP	**373,342**		**295,676**		**26.3%**

The net cash position as of 31 December 2024 is a positive cash balance of 373.3 million euros, having increased by 77.7 million euros compared to the end of the 2023 financial year (as of 31 December 2023 it amounted to 295.7 million euros).

Capital resources

As of 31 December 2024, there have been no significant changes to the structure of equity and debt existing as of 31 December 2023.

No significant changes in the equity and debt structure or in the cost related to capital resources are expected to occur during 2025.

Future contractual obligations

The main obligations to which the Group is exposed are those arising from financing contracts, as well as obligations intrinsic to construction and service contracts with customers. There are no future investment or asset purchase commitments of significant amounts.

Main risks and uncertainties

The Group operates in industries, countries and socio-economic and legal environments that involve different types and levels of risk. To avoid potential losses to its shareholders and possible damage to its customers, the Group has a risk management function through which it: i) identifies; ii) measures; iii) controls; iv) monitors and, v) assesses the different types of risk from an integrated and global perspective.

Operating risks

The main risks arising from the Group's activity are market risks (those relating to the sufficiency of demand for services and products, regulatory and political risks, labour and environmental risks, maintenance of quality and compliance with the contractual framework with customers, etc.

In the project acceptance phase, and in order to ensure that projects are carried out in accordance with the established contractual parameters, with maximum quality parameters, guaranteeing customer satisfaction and meeting the minimum profitability levels required, an individualised study is made of each project.

The Group also has an International Legal and Tax Department, which analyses the possible repercussions of the different regulatory frameworks on the Group's activity, the tax framework, etc., given its growing international presence, as a way of avoiding risks derived from local regulations.

Financial risks

Due to its regular business activities, the Group is exposed to the following risks arising from receivables and payment obligations in its transactions:

- **Interest rate risk:** risk to which the Group is exposed as a result of the debt it has with financial institutions and other financial creditors. The Group's level of debt in recent years has been very low and, in addition, most of the Group's financing contracts are at fixed interest rates, minimising the risk of exposure to interest rate fluctuations.

- **Exchange rate risk:** the Group's policy is to contract debt in the same currency as the cash flows of each business. Therefore, there is currently no significant exchange rate risk. Within this type of risk, it is worth highlighting the fluctuation of the exchange rate in the conversion of the financial statements of foreign companies whose functional currency is not the euro. However, due to the geographical expansion that the Group has been experiencing in recent years, in the future there may be situations of exposure to exchange rate risk against foreign currencies, so that, if necessary, the best solution to minimise this risk will be considered through the contracting of hedging instruments, always within the framework established by corporate criteria.

- **Credit risk:** the control of bad debts is addressed through the preventive review of the credit rating of the Group's potential customers, both at the beginning of the relationship with them and during the term of the contract, assessing the credit quality of the amounts pending collection and reviewing the estimated recoverable amounts of those considered doubtful for collection.

- **Liquidity risk:** discussed in Note 3 of this consolidated directors' report.

4. Significant events after the balance sheet date

There are no events after 31 December 2024 that could have an impact on this consolidated management report.

5. Information on foreseeable developments

The Group focuses its activity on construction and the provision of services, although without neglecting real estate opportunities, related to the real estate assets it owns, as well as energy projects.

The main lines of action of the Group's business plan are:

- Maintaining the level of contracting in Spain.
- Continuation of international activity, through geographical diversification and by line of business:
    - Taking advantage of the value acquired in countries where it has a presence (Chile, Mexico, Peru, USA, etc.) to increase its presence.
    - Taking advantage of new possibilities for expansion.

In the international market, particularly in emerging countries, business opportunities are presenting themselves for the Group which, as part of its policy of expansion, will try to take advantage of these channels of growth. It will also continue to work towards further consolidating its national presence, also relying on the forecast of better behaviour in the private sector. All of the above, supported by the macroeconomic prospects of an improving economy, both nationally and internationally, are positive arguments for the future of construction.

Considering the total amount of the Group's portfolio, which at 31 December 2024 amounts to 3,188 million euros, having experienced an increase of 19.8% with respect to 31 December 2023, it is considered that its organic stability is assured, foreseeing to maintain the average size of the projects, trying to take advantage of public tender opportunities, both in national territory and in foreign countries, especially in those in which it has a presence and *expertise*.

6. R&D&I activities

Grupo SANJOSE, aware of the importance of Research, Development, and Innovation activities for the Group's business competitiveness and success, aspires to be a benchmark in technological development. The type of activities carried out by Grupo SANJOSE require continuous innovation, both because of the evolution of the technology that surrounds the projects and because of the Group's strategy, which is committed to entering new markets that demand high added value and a very high level of technical specialization.

All matters related to these projects and others related to R&D&I are fully described in the Statement of non-financial information and diversity of Grupo Empresarial San José, S.A. and Subsidiaries for the year ended 31 December 2024.

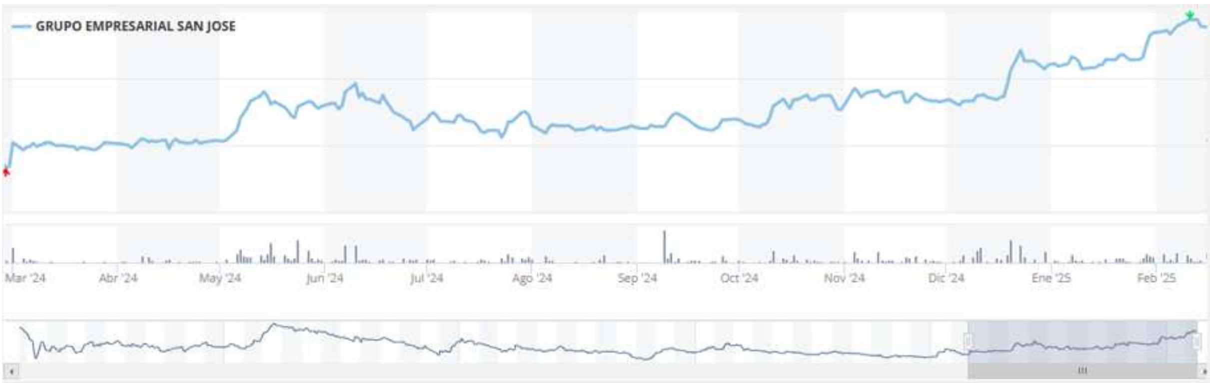
7. Acquisition and Disposal of Treasury Shares

Grupo SANJOSE did not hold any treasury shares as of December 31, 2024, nor has it carried out any transactions with treasury shares during the year 2024.

8. Other Relevant Information

Stock exchange information

Grupo SANJOSE shares are traded on the Madrid Stock Exchange's continuous market. The main indicators and share performance are shown below:



	Capitalización * (miles de euros)	Nº de acciones (x 1.000)	Precio Cierre (euros)	Último Precio (euros)	Precio Máximo (euros)	Precio Mínimo (euros)	Volumen (miles de acciones)	Efectivo (miles de euros)
2025 (hasta el 17/2)	374.550	65.026	5,7600	5,7600	5,9400	5,1400	1.502	8.272
2024	338.136	65.026	5,2000	5,2000	5,4800	3,4300	11.602	51.221
2023	224.990	65.026	3,4600	3,4600	4,8550	3,4000	5.705	22.441
2022	257.503	65.026	3,9600	3,9600	5,2100	3,2300	5.669	23.948
2021	318.628	65.026	4,9000	4,9000	6,6600	3,5750	13.400	66.534

* La capitalización se calcula con acciones admitidas a cotización y no incluye acciones emitidas procedentes de ampliaciones que no han sido todavía admitidas a cotización

Fuente.: Bolsas y Mercado Españoles (BMEX).

Dividend policy

On 18 April 2024, the Parent Company's General Shareholders' Meeting approved the distribution of a dividend charged to voluntary reserves for a gross amount of 0.15 euros/share, which amounts to a total of 9,754 thousand euros, being fully paid during the first half of the 2024 financial year.

Proposed distribution of profit

The directors of the Parent Company will propose to the General Meeting of Shareholders the distribution of the profit for the year 2024, equivalent to a profit of 8,069 thousand euros, to voluntary reserves.

9. Statement of non-financial information

In accordance with Law 11/2018 on non-financial information and diversity, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing of Accounts, in relation to non-financial information and diversity (from Royal Decree-Law 18/2017), the information of this nature is set out in the "Consolidated statement of non-financial information", which forms an integral part of this Directors' Report and is attached as an appendix below.

10. Annual Corporate Governance Report

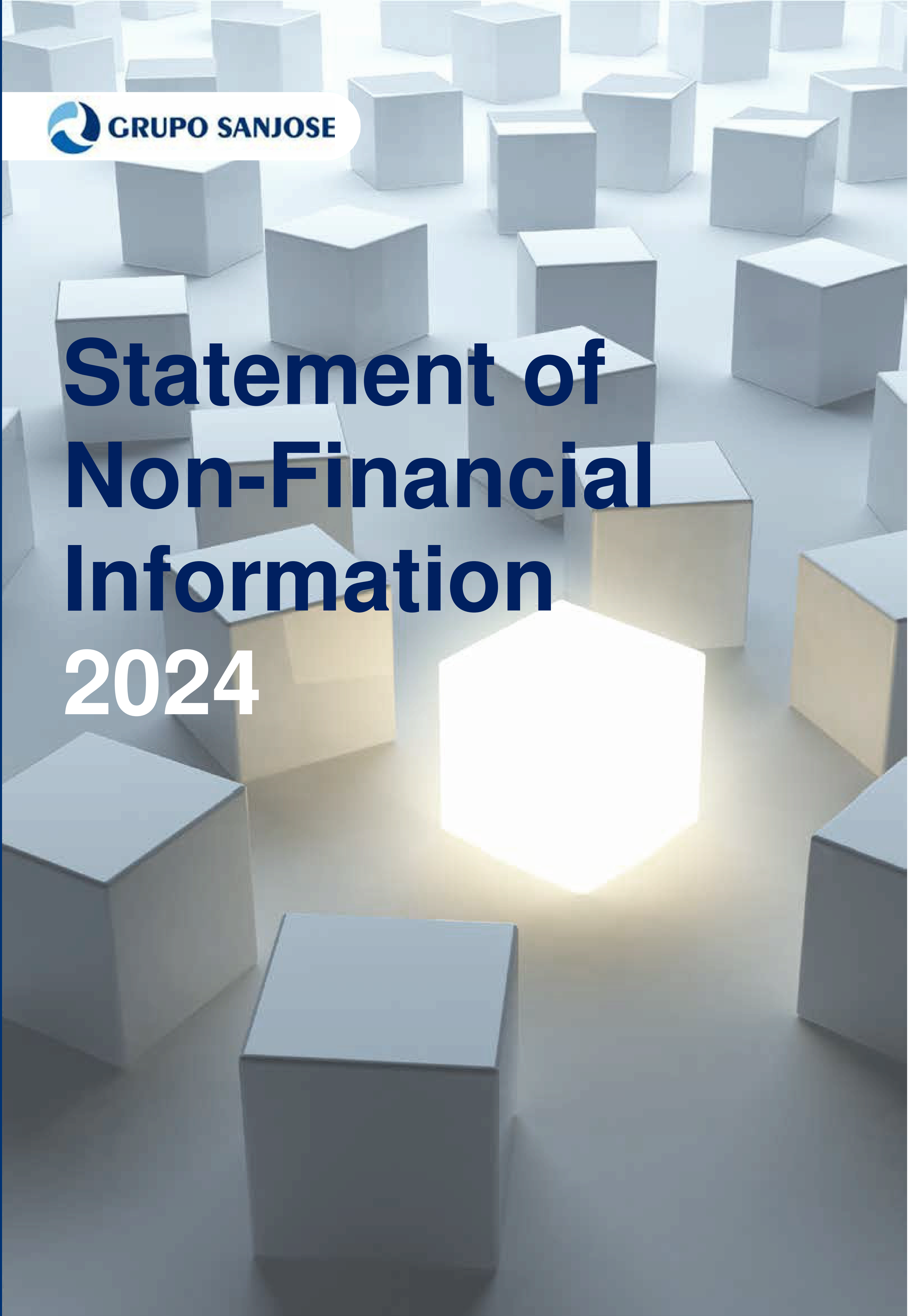
In accordance with the provisions of commercial legislation, the Annual Corporate Governance Report forms an integral part of this Directors' Report and is attached as an appendix below.

11. Annual Report on Directors' Remuneration

In accordance with company law, the Annual Report on Directors' Remuneration forms an integral part of this Directors' Report and is attached as an appendix below.

GRUPO SANJOSE

Statement of Non-Financial Information 2024



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01

General information.

General information about Grupo Empresarial SAN JOSE (ESRS-2)

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GENERAL INFORMATION

1.1. General information about Grupo Empresarial SAN JOSE (ESRS-2)

1.1.1 Basis for elaboration

a. General Basis for the elaboration of the Non-Financial Information Statement / Sustainability Statement [1]

CSRD - ESRS 2 - BP-1

The purpose of this report is to disclose information on the sustainability of Grupo SANJOSE (hereinafter Grupo SANJOSE or GSJ), which contributes to measuring, monitoring and managing the company's performance and its impact on society.

This report has been prepared in compliance with the requirements established in Law 11/2018 on non-financial information and diversity through which the Code of Commerce, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing of Accounts, are amended with regard to non-financial information and diversity (from Royal Decree-Law 18/2017).

Grupo SANJOSE is aligned with the requirements of the European Sustainability Reporting Directive (CSRD) for which in the preparation of the document we have followed the Delegated Regulation (EU) 2023/2772 of the European Commission of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

The Sustainability Statement forms part of the Group's Consolidated Directors' Report and accompanies the Consolidated Financial Statements for 2024. Information on remuneration of board members and senior management has been included by reference in the Corporate Governance Report and the Remuneration Report of the Board of Directors, available in sections 10 and 11 of the Consolidated Directors' Report. This information is also available on the Group's website and on the official website of the Spanish National Securities Market Commission (CNMV).

The information presented in this report has been prepared on the basis of consolidated information of Grupo Empresarial San José, S.A. and its subsidiaries, according to the perimeter established in the Consolidated Financial Statements for the year ended 31 December 2024. However, the commercial distribution, consulting and agricultural and livestock activities are excluded, as their financial contribution is limited and they represent less than 2% of the Group's total revenues. This decision has been supported through consultation with internal experts, who confirmed that the inclusion of these activities would not add significant value to this Sustainability Statement. These companies are exempted from sustainability reporting as they do not meet the established thresholds.

The content of this report has been selected through a dual materiality analysis, in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of December 2022 and the recommendations of the EFRAG IG 1 Materiality Assessment implementation guide, which has made it possible to identify the most relevant issues for both Grupo SANJOSE and its main stakeholders. This analysis comprehensively considers the Group's impacts, risks and opportunities through its direct and indirect business relationships upstream and downstream in its value chain.

In particular, material issues have been identified in relation to the sourcing of materials and

[1] Due to the planned regulatory change, Grupo SANJOSE has opted to publish a Sustainability Statement (aligned with CSRD) including the information required in the Statement of Non-Financial Information (NFI).

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resources (upstream value chain), subcontractors' workers who perform their role in the Group's operations (downstream value chain), as well as affected groups and end users of the Group's products.

The information presented in this Sustainability Statement has been subject to an independent verification process, ensuring the accuracy and reliability of the data.

b. Information relating to specific circumstances

CSRD - ESRS 2 - BP-2

For ease of understanding, information relating to specific circumstances has been included throughout the report along with the related disclosure requirements. Similarly, the use of estimated metrics or metrics about which there is some uncertainty is indicated throughout the document.

In preparing its Sustainability Statement, Grupo SANJOSE has followed the definition of short, medium and long term established by the European Sustainability Reporting Standards (ESRS 1 - 6.4):

a) Short-term: 1 year, corresponding to the reporting period in its financial statements.

b) Medium term: one to five years

c) Long term: more than five years.

Sources of uncertainty and estimates

The information presented in this document follows the principles of relevance, faithful information, comparability, comprehensibility and verifiability. Those parameters for which approximations or estimates have been used are indicated throughout the document, including the methodology and assumptions used. In this first CSRD-aligned Sustainability Statement, Grupo SANJOSE has not included quantitative information on its upstream or downstream value chain. In 2024, the Group's Procurement department initiated a strategic reflection for the incorporation of these indicators in its reporting systems.

Relevant changes in sustainability reporting

This year, Grupo SANJOSE presents for the first time its Statement of Non-financial Information aligned with the European Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). From 2018 until 2023, the Group had presented its non-financial information in accordance with the provisions of Law 11/2018 on non-financial reporting and diversity. This change in the reporting standard followed means that this report includes content for which there is no audited historical information.

When the information presented in the Sustainability Statement is comparable to that presented in the Non-Financial Information Statement for 2023, comparative data is presented in order to explain the progress made by Grupo SANJOSE. However, different circumstances have occurred in the 2024 financial year that have led to changes in the indicators. Some data are not comparable with those of previous years, so performance in past years has not been included

- In order to align the reporting framework with the disclosure requirements set out in the CSRD and to improve the relevance and comprehensibility of the information, the indicators included in this report have been revised. As a result of this review, some of the data that were provided on a voluntary basis in previous years have not been included.
- In 2024 the Group has implemented an improvement in the classification of its professional and senior management categories. Therefore, some data are not comparable with those reported in previous years.
- The carbon footprint calculation methodology has been improved, reducing uncertainty and

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incorporating scope 3.

Information derived from other legislation

The table of correspondence with the requirements of Law 11/2018 can be found in Annex 1 of this document.

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1.1.2. Governance

Capital structure

Law 11/2018 - Business model

The share capital of Grupo Empresarial San José, S.A. (parent company of Grupo SANJOSE) at 31 December 2024 consists of 65,026,083 shares with a par value of €0.03 each, fully subscribed and paid up, all with the same voting and economic rights, and represented by book entries, with Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (IBERCLEAR) and its participating entities being responsible for their accounting records. These data have not undergone any variation with respect to those published at year-end 2024.

Table 2. Share capital of Grupo SAN JOSE

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
27/06/2008	1.950.782,49	65.026.083	65.026.083

All of the shares representing the capital of Grupo Empresarial San José, S.A. have been listed on the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the stock market interconnection system (continuous market) since their admission to trading on 20 July 2009.

Table 3. Grupo SAN JOSE Stock Market Data

SANJOSE GROUP	Unit	2024	2023
Capitalisation	Thousands of Euros	338.136	224.990
Period-end closing price	Euros	5,20	3,46
Last price period	Euros	5,20	3,46
Maximum price period	Euros	5,48	4,86
Minimum price period	Euros	3,43	3,40
Volume	Thousands of Shares	11.602	5.705
Cash	Thousands of Euros	51.221	22.441

At year-end 2024, the shareholding structure (direct and indirect) of Grupo Empresarial San José, S.A. is as follows:

Table 4. Shareholding structure of Grupo SAN JOSE

Title of participation	%
Mr Jacinto Rey González	48,29 %
Ms. Julia Sánchez Ávalos	7,44 %
Ms. Mª de las Virtudes Sánchez Ávalos	4,73 %
Juan Villalonga Navarro	1,93 %
Other members of the Board of Directors	0,81 %

a. The role of administrative, management and supervisory bodies

CSRD - ESRS 2 - GOV

According to the Articles of Association of Grupo SANJOSE, the Board of Directors must be composed of a minimum of 5 and a maximum of 15 members. At the end of the 2024 financial year,

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the Board is made up of 12 members, with a balanced representation in the different categories: four executive directors (33.33% of the total Board), four independent directors (also representing 33.33% of the total), one proprietary director (8.33%) and three external directors (25%).

Table 5. Composition of administrative, management and supervisory bodies

CSRD - ESRS 2 - GOV1-21a, d, e

Administrative, management and supervisory bodies	No. of members	% of women	No. of independents	No. of Sunday	No. of Others External
Board of Directors	12	25	4	1	3
Management Team/Senior Management	7	43	-	-	-
Executive Committee	4	0	-	-	-
Audit Committee	3	33	-	-	-
Appointments, Remuneration and Corporate Governance Committee	4	0	-	-	-
International Executive Committee	6	17	-	-	-

The following are those members of the Board of Directors who hold positions in the company's organisation chart, thus holding the status of Executive Directors, and representing 33.33 % of the total Board of Directors:

Table 6. Executive members of the Board of Directors

Name or company name of director	Category of director
Mr Jacinto Rey González	Chairman and CEO
Mr Jacinto Rey Laredo	First Vice-President
Mr Javier Rey Laredo	Second Vice-Chairman
Mr. José Luis González Rodriguez	Chief Executive Officer

As external proprietary directors, the following should be noted:

Table 7. Non-executive proprietary directors

Name or company name of director	Name of the significant shareholder he represents or who has proposed his appointment
D. Enrique Martín Rey	Ms. Mª José and Ms. Julia Sánchez Ávalos

In terms of gender representation, the Board of Directors has three female directors, representing 25% of the total Board. This female representation on the Board has shown a positive evolution over the last four years, in which the number of female directors has increased from two to three, reflecting an effort to increase gender diversity. In detail, independent female directors represent 50% of the independent directors, and external female directors represent 33.33% of their category.

Table 8. Information on the number and category of female directors at the end of the last 4 financial years

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	Number of female councillors				% of total number of directors of each category			
	2024	2023	2022	2021	2024	2023	2022	2021
Executives	0	0	0	0	0	0	0	0
Dominicals	0	0	0	0	0	0	0	0
Independent	2	2	1	1	50	33	33	25
Other External	1	1	1	1	33	33	33	50
Total	3	3	2	2	25	18	18	18

Employees and other workers are represented in administrative, management and supervisory bodies by the Human Resources, Personnel and Training Department, which is responsible for social dialogue with employees and their representatives.

The composition and diversity of the members of the administrative, management, and supervisory bodies of Grupo SANJOSE reflects a structure oriented towards experience and core competencies in strategic sectors such as construction, concessions, energy, and real estate development. The directors come from diverse backgrounds, including finance, law, and engineering, and bring extensive knowledge of both local and international markets.

Roles and responsibilities of administrative, management and supervisory bodies

CSRD - ESRS 2 - GOV1 22 // Law 11/2018 - Organisation and Structure

The governance model implemented in Grupo SANJOSE follows the latest recommendations of the CNMV in its Good Governance Code for Listed Companies, as well as best practices in corporate governance. This model consists of the following bodies:

- **A. General Meeting of Shareholders**
- **B. Board of Directors**
- **C. Delegated Committees of the Board of Directors:**
- a) Executive Committee
- b) Audit Committee
- c) Appointments, Remuneration and Corporate Governance Committee
- d) International Executive Committee

A) General Meeting of Shareholders

The General Meeting of Shareholders is the main governing body of a capital company, being the expression of the will and interests of the company and the forum where key decisions for its operation are taken. The decisions of the General Meeting of Shareholders must be adopted in accordance with the provisions of the Articles of Association and are binding on all shareholders, including those absent, dissenting and abstaining.

The General Meeting of Shareholders is responsible for approving the annual accounts of the company, deciding on the allocation of profits for the year and approving the management of the company. It also has the power to appoint and remove directors, as well as any other function determined by law or the Articles of Association. The General Meeting shall be convened by means of a notice published on the company's website, on the CNMV website and in one of the most widely circulated newspapers in Spain, as well as on the Spanish stock exchanges.

All shareholders of the company, whose shares are registered in their name in the accounting records five days prior to the date of the meeting, are entitled to attend the General Meeting, in accordance with Article 16 of the Articles of Association and Article 8 of the Regulations of the General Meeting of Shareholders. Shareholders who, individually or in groups, hold at least one hundred shares are also entitled to attend.

B) Board of Directors

The Board of Directors has broad powers to represent and administer the company as a supervisory and controlling body for its activities, and to directly assume responsibilities and make decisions on the management of the business. The Board's management is subject to the approval of the General Meeting of Shareholders.

This body is responsible for the management and supervision at the highest level of the information provided to shareholders, institutional investors and other market members, ensuring the exercise of their rights and interests in the corporate interest.

Specifically, its functions are:

- Supervision of bodies, executives and committees. Oversee the functioning of the committees, delegated bodies and management, ensuring their proper performance in line with the company's policies.
- Definition of policies, strategies and plans. Establish general policies and strategies, including the strategic plan, annual budget, investment policies, financing, risk control and management (including tax), corporate social responsibility, dividends and own shares.
- Managing conflicts of loyalty and remuneration. Authorising exceptions to the duty of loyalty of directors, determining the remuneration of directors and executives, and establishing the terms of their contracts.
- Appointment and succession. Appointing and dismissing managing directors and senior executives, and organising the succession of the company's chairman and chief executive.
- Preparation and presentation of statutory accounts and reports. Prepare the annual accounts and any reports required by law, and present them to the general meeting.
- Calling of the General Meeting and agenda. Calling the shareholders' meeting, setting the agenda and proposing resolutions.
- Corporate governance and group structure. Define the corporate governance policy and structure of the corporate group, approve its regulations and make adjustments as necessary.
- Approval of public financial information. Approve the financial and non-financial information to be made public, ensuring its integrity and transparency.
- Strategic investment decisions and special operations. Authorising large or high tax risk strategic investments or operations and creating holdings in jurisdictions with low tax risk or low transparency.
- Related-party transactions and tax strategy. Approve related-party transactions following a report from the audit committee and define the company's tax strategy.

In terms of managing sustainability Impacts, Risks and Opportunities (IROs), the Board of Directors, together with the respective management, is responsible for defining policies, strategies and plans, including mechanisms to measure their effectiveness, be they targets or other tools.

The Board delegates governance procedures and controls to manage sustainability issues to the Audit Committee. Currently, the flow of information is organised through the Deputy Secretary of the Board, who coordinates with the management teams and collects the necessary data in prior meetings.

Table 9. Members of the Board of Directors

Name or company name	Category	Cargo

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Mr Jacinto Rey González	Executive	Chairman and CEO
Mr Jacinto Rey Laredo	Executive	First Vice-President
Mr Javier Rey Laredo	Executive	Second Vice-President
Mr. José Luis González Rodriguez	Executive	Chief Executive Officer
D. Ramón Barral Andrade	Independent	Coordinating Councillor
D. Roberto Álvarez Álvarez	Other External	Vocal
Mr José Manuel Otero Novas	Independent	Vocal
D. Enrique Martín Rey	Sunday	Vocal
Ms. Altina de Fátima Sebastián González	Other External	Vocal
D. Nasser Homaid Salem Ali Alderei	Other External	Vocal
Ms. Amparo Alonso Betanzos	Independent	Vocal
Ms. Mª José Alonso Fernández	Independent	Vocal

C) Delegated Committees of the Board of Directors

a. Executive Committee

The Executive Committee is regulated by article 31 of the Articles of Association and article 14 of the Board Regulations. This committee shall be composed of a minimum of three and a maximum of five directors, appointed by the Board of Directors from among its members, for a period equal to their term of office on the Board.

The committee has the powers delegated to it by the board of directors, and it is the board that defines the rules for its functioning. These powers may include high-level executive decisions as determined by the board.

Table 10. Members of the Executive Committee

Name or corporate name of director	Category of director	Position in the commission
Mr. Jacinto Rey González	Executive	President
D. Javier Rey Laredo	Executive	Vocal
D. Jacinto Rey Laredo	Executive	Vocal
D. José Manuel Otero Novas	Independent	Vocal

b. Audit Committee

The Audit Committee is regulated by article 33 of the Articles of Association and articles 15 and 16 of the Board Regulations. It is composed exclusively of non-executive directors appointed by the Board of Directors, at least two of whom must be independent directors and one of whom must have knowledge and experience in accounting, auditing or both. This committee must meet at least four times a year.

The powers of the Audit Committee include:

- To report to the General Meeting of Shareholders on issues related to its competencies.
- Oversee the effectiveness of the company's internal control, internal audit and risk management systems, including risks linked to sustainability issues.
- Oversee the process of preparing and presenting financial information and sustainability information.

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- Propose to the Board the selection, appointment, re-election and replacement of the external auditor.
- Liaise with the external auditor to receive information on matters that may compromise its independence and on the audit process.
- Annually issue a report on the independence of the statutory auditor prior to the issuance of the audit report.
- To report to the Board of Directors on all matters provided for by law, the Articles of Association and the Regulations of the Board.

The management of sustainability Impacts, Risks and Opportunities (IROs) is in the process of being structured, the Audit Committee will play a central role in the oversight and will ensure that the information is adequately reported to the Board of Directors.

Although the current system has allowed progress to be made in the communication and supervision of IROs, it still lacks formalisation. Therefore, Grupo SANJOSE is working on the development of a structured framework that defines responsibilities, procedures and supervision, integrating the IROs effectively into the corporate strategy.

In the exercise of its duties, the Audit Committee may request the assistance of independent experts when it deems necessary, and may request the collaboration of any employee or manager of the company, as well as arrange for their appearance without the presence of other managers.

Table 11. Members of the Audit Committee

Name or corporate name of director	Category of director	Position in the commission
Mr José Manuel Otero Novas	Independent	President
D. Ramón Barral Andrade	Independent	Vocal
Doña Altina de Fátima Sebastián González	Other External	Vocal

c. Appointments, remuneration and governance committee

Article 34 of the Articles of Association and articles 17 and 18 of the Regulations of the Board of Directors establish the composition, operating rules and functions of this Committee. It shall consist of a minimum of three and a maximum of five members, all of whom shall be non-executive directors appointed by the Board of Directors, at least two of whom must be independent directors. The term of appointment shall be four years.

Among the main functions assigned to the commission are the following:

- Assess the skills, knowledge and experience required on the Board of Directors. Define the roles and skills required of candidates for each vacancy and assess the time and dedication necessary to perform the position effectively.
- Establish a representation target for the under-represented sex on the Council and develop guidance on how to achieve this target.
- Submit to the Board proposals for the appointment of independent directors, either by co-option or to be submitted to the decision of the General Meeting of Shareholders, as well as proposals for the re-election or removal of such directors.
- Report on proposals for the appointment and removal of senior managers, as well as on the basic conditions of their contracts.
- Examine and organise the succession of the Chairman of the Board of Directors and the chief executive of the company, and make proposals for such succession to occur in an orderly and planned manner.

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- Propose to the Board the remuneration policy for directors and general managers.
- Supervise the transparency of the company's actions, compliance with the rules of governance and the internal rules of conduct by the members of the Board and the company's executives.
- The committee shall ensure that the procedures for the selection of directors favour diversity of gender, experience and expertise, and are free from implicit discriminatory bias, in particular by facilitating the selection of female directors.

Table 12. Members of the Appointments, Remuneration and Corporate Governance Committee

Name or corporate name of director	Category of director	Position in the commission
D. Ramón Barral Andrade	Independent	President
D. Enrique Martín Rey	Sunday	Vocal
Mr José Manuel Otero Novas	Independent	Vocal
D. Roberto Álvarez Álvarez	Other External	Vocal

d. International Executive Committee

The composition, functioning and internal regulations of the International Executive Committee are set out in article 18 bis of the Regulations of the Board of Directors. This committee shall be composed of a maximum of twelve members, appointed by the Board of Directors at the exclusive proposal of its Chairman. The members may be directors of the Group or technical third parties in their capacity as international advisors or sectoral experts specially appointed for this function.

The International Executive Committee shall have powers of information, supervision, advice and proposal on matters within its competence at international level. It shall be chaired by the Chairman of the Board of Directors and shall meet when convened by its Chairman. The meetings of the Committee may be plenary or by sections, in the latter case only with those members convened on the basis of the diversity of countries, areas of specialisation or sectors of activity.

The powers assigned to the International Executive Committee include the following:

- Collaborate in the development of the Group's international area in its various divisions (construction, concessions, energy, real estate and urban development projects), as well as in any other type of business.
- Contribute to increasing the Group's international relations with public and private entities.
- Identify business opportunities, analyse projects and formulate proposals.
- Raising capital and managing investment financing for international projects.
- Propose Group projects or joint investments with strategic partners.

Table 13 Members of the International Executive Committee

Name or corporate name of director	Category of director	Position in the commission
Mr Jacinto Rey González	Executive	President
Mr Javier Rey Laredo	Executive	Vocal
Mr Jacinto Rey Laredo	Executive	Vocal
D. Nasser Salem Ali Alderei	Other external	Vocal

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Ms María José Alonso Fernández	Independent	Vocal
D. Roberto Álvarez Álvarez	Other external	Vocal

Specific skills and knowledge

CSRD ESRS 2 - GOV1 - 23

The Board of Directors and its committees, in particular the Nominating, Compensation and Corporate Governance Committee, regularly assess the skills and knowledge of its members to ensure that they are aligned with the objectives and challenges of the industry.

In terms of sustainability expertise, the members of the management bodies have the necessary experience and training to address sustainability, diversity and governance issues. In addition, the Secretary and Deputy Secretary of the Board facilitate the transfer of information required for the performance of their duties.

In relation to the management of material impacts, risks and opportunities, the Board of Directors and its committees shall be supported by expert staff within the organisation, as well as access to external professionals where necessary.

b. Information provided to administrative, management and supervisory bodies, and sustainability issues addressed

CSRD - GOV-2

In 2024 Grupo SANJOSE incorporated the dual materiality analysis as part of its effort to identify and prioritise the most relevant sustainability aspects for its business model and corporate strategy. As part of the review of this analysis, the Audit Committee was presented with the progress of the process and the preliminary results. In this way, the Committee was informed of the sustainability issues for which there were material impacts, risks and opportunities.

The results of the materiality analysis can be found in section 1.1.3.c) of this report.

Grupo SANJOSE is in the process of structuring the frequency and responsibilities related to reporting to the management, governing and supervisory bodies on material impacts, risks and opportunities.

c. Integrating sustainability-related performance into incentive schemes

CSRD - GOV-3

The Group has established incentive schemes for executive directors in the form of annual variable remuneration, calculated on the basis of the achievement of certain mainly economic, financial and strategic objectives.

In addition, consideration is given to the degree of compliance with the social responsibility objectives defined annually by the Board, based on their importance for value creation, the contribution to the business strategy and the long-term sustainability of the Group. During financial year 2024, no targets that are directly dependent on sustainability have been integrated into the variable compensation schemes.

In this regard, the Nomination, Remuneration and Corporate Governance Committee prepares a proposal which is finally approved by the Board of Directors, which determines the amount to be paid annually to each director within the limit set by the Shareholders' Meeting. This process is carried out in a manner consistent with the approved remuneration policy.

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d. Due Diligence Statement

CSRD - GOV-4 / Act 11/2018 Human Rights

Grupo SANJOSE's objective is to have solid and transparent ethical principles, applying them in all its market actions. Grupo SANJOSE adheres to the 10 principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption, inspired by the Universal Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption:

- Support and respect the protection of international human rights.
- Avoid being complicit in human rights abuses.
- Respect freedom of association and the right to collective bargaining.
- Eliminate all forms of forced or compulsory labour.
- Effectively abolish child labour.
- Eliminate discrimination in employment and occupation.
- Support preventive environmental methods.
- Promote initiatives for greater environmental responsibility.
- Encourage the development and diffusion of environmentally friendly technologies.
- Combat corruption in all its forms, including extortion and bribery.

The principles of the United Nations Global Compact are applied throughout the organisation, including all divisions and countries of the Group, and are reflected in the policies for human resources, contracting with suppliers and customers, as well as in any other aspect that could have an impact on these principles.

Likewise, Grupo SANJOSE understands Corporate Social Responsibility as a firm commitment to the wellbeing of society and people, and has been a strategic pillar and a differentiating element since its foundation. This commitment is specified in the following ways:

- Prioritise people's well-being, the quality of their working conditions, equality and training.
- Promote a culture of Occupational Risk Prevention at all levels of the Group.
- Respect diversity and create equal opportunity policies, promoting human and professional development.
- Commitment to sustainable development and respect for the environment, minimising pollution and waste generated.
- Public vocation and generation of wealth, contributing to the social, economic and environmental environment through R&D&I policies and quality products and services.
- Implement formal procedures for open dialogue with all stakeholders.
- Maintain a policy of information transparency.

This commitment is transversal to the Group's activity and is developed in the following sections of this document:

Table 14. Correspondence of the elements of the due diligence process in this document

Elements of the due diligence process	Statement of Non-Financial Information/Statement of Sustainability Section	Page

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Integrating due diligence into governance, strategy and the business model	1.1.2.d) Due Diligence Declaration 3.2.2. a) Policies related to value chain workers 3.3.2.a) Policies related to affected groups	18 120-121 125-126
Engaging with affected stakeholders at all key stages of due diligence	1.1.3.b) Stakeholders' interests and views 3.1.1.a) Impacts, risks and opportunities on own workers	29-31 82-83
Identification and assessment of adverse events	1.1.3.c) Impacts, risks and opportunities: dual materiality results	32-34
Taking measures to deal with such adverse events	3.1.2.d) Measures related to own-staff IROs: Human and labour rights	107
Monitoring the effectiveness of these efforts and communication	3.1.2.d) Measures related to the IRO of own staff: Human and Labour Rights 4.1.2.a) Corporate culture and conduct policies	107 138-139

e. Risk management and internal controls over sustainability disclosures

CSRD - ESRS 2 - GOV-5

Grupo SANJOSE has implemented an internal control and risk management system that integrates the sustainability reporting process. This system, supervised by the Audit Committee and supported by the internal audit unit, ensures that the sustainability reporting processes and systems are rigorous and in accordance with applicable regulatory requirements.

The system encompasses a comprehensive approach to identifying, assessing and prioritising risks related to sustainability disclosures. Risks are assessed by considering factors such as regulatory compliance, data reliability, consistency with international standards and potential reputational impacts. Key risks identified include errors in data collection and lack of alignment with applicable regulations. To mitigate these risks, the Group has developed strategies such as the automation of certain data collection processes or the training of those responsible for the areas involved. In this way, it works to ensure the integrity of sustainability data and the reliability of sources along the value chain, addressing any risk of loss of accuracy in the process.

The results of these risk assessments are integrated into internal processes by updating policies, redefining sustainability roles and responsibilities, and incorporating the findings into sustainability performance planning and monitoring systems.

The Audit Committee, together with the internal audit unit, provides the Board of Directors and its specialised committees with regular reports on the status of general risks and controls, including those associated with sustainability reporting. This communication ensures that the governing bodies are informed about the findings, the mitigation strategies implemented and any necessary adjustments to improve the accuracy and transparency of the Sustainability Statements.

1.1.3. Strategy, business model and value chain

a. Description of the business model

CSRD - ESRS 2 - SBM1 // Law 11/2018 - Business Model

Grupo SANJOSE is positioned as a key player in the construction sector, the main focus of its activity, complemented by strategic business lines such as concessions and services, renewable energy, real estate, and agriculture and livestock. This diversified approach not only reduces the risks associated with concentration in a single sector or geographic market, but also strengthens the Group's ability to adapt to the challenges of a changing and competitive global environment.

The main objective of Grupo SANJOSE is to ensure sustained growth, maintaining the profitability margins achieved in recent years. To achieve this, it maintains the construction activity as its main engine of growth, increasing its weight in the international arena, and maintaining high levels of quality in its services. This focus is complemented by the development of other business lines that complement the construction activity.

Grupo SANJOSE maintains a firm commitment to customer satisfaction and collaboration with strategic suppliers, promoting innovation and the integration of advanced technologies in its projects. This commitment extends to respect for the environment, where it not only manages and minimises the negative effects of its activities, but also implements efficient and sustainable construction solutions. Since 2003, the Group's main head offices have their Environmental Management Systems certified in accordance with the ISO-14001 standard .[2]

Table 15. Employees by country where Grupo SANJOSE is present

CSRD - ESRS 2 - SBM 1 - 40 a. III

Country	Number of employees
Spain	3.420
Chile	412
Portugal	263
United Arab Emirates	159
Peru	46
Mexico	75
Argentina	13
Italy	9
USA	8
India	8

Description of products and services offered and markets where GSJ is present CSRD - ESRS 2 - SBM 1 - 40-a / Law 11/2018 - Geographic presence

Grupo SANJOSE has a consolidated presence in 17 countries on four continents, with its main areas of activity being Spain, Portugal, and regions of Latin America. These strategic areas, especially Spain and Portugal, concentrate a large part of its projects in construction, energy and environment, and concessions and services, sectors in which the Group has built a solid reputation as a reliable infrastructure partner.

Figure 1. Countries where Grupo SANJOSE has a branch office

[2] ISO 14001 certification is available for the management systems implemented at Constructora SAN JOSÉ S.A., SAN JOSÉ constructora Perú S.A., Constructora UDRA LDA, SAN JOSÉ contracting LLC (ABU Dhabi), Tecnocontrol Servicios S.A., Constructora SAN JOSÉ Portugal S.A., Cartuja Inmobiliaria S.A, EBA S.L, Sociedad concesionaria SAN JOSE Tecnocontrol S.A. (Chile).

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In addition, Grupo SANJOSE has a presence in other countries where it does not have a fixed delegation, but is in the process of analysing the market, business possibilities and bidding processes in order to determine future projects.

Figure 2. Countries where Grupo SANJOSE has a presence

To manage its broad international presence and the diversity of sectors in which it operates, Grupo SANJOSE has specific boards and committees in each country. These local governing bodies are designed to supervise and optimise operations in their respective regions and sectors, ensuring regulatory compliance, risk control and alignment with the group's global strategic objectives.

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In 2024, the Group will have 16% of its business in international markets (18% in 2023).

Business lines

CSRD - ESRS 2 - SBM-1 // Law 11/2018 - Objectives and strategy

SANJOSE Constructora:

Grupo SANJOSE has positioned itself as a benchmark in the engineering and construction sector, where it stands out for its experience in the execution of unique projects and for providing professional and personalised attention to each of its clients. Together with them, and putting at their service all the technology and dedication of its teams, it carries out a wide range of projects covering building, transport infrastructures, as well as industrial and energy projects. The synergies generated between its different areas of activity have allowed the creation of its own management models, which generate operational efficiencies and improve each project in terms of quality, innovation, sustainability, profitability and safety.

Since the 1990s, Grupo SANJOSE has successfully exported its model and *know-how* to different geographical environments. Currently, the Group is ranked 165th in the "ENR Top 250 International Contractors" ranking, prepared annually by the prestigious North American magazine ENR ("Engineering News-Record").

- **Building**. Grupo SANJOSE has recognized experience in the construction, expansion and rehabilitation of some of the most unique buildings in the world, characterized by their historical relevance, magnitude, aesthetic value and the technical advances used. Its portfolio includes hospitals, museums, theatres, faculties, schools, sports venues, shopping centres, administrative buildings, hotels and large urban developments, as well as housing. These buildings improve people's quality of life, generate wealth and promote the sustained growth and modernisation of the cities and countries in which they are developed, thus contributing to the improvement of the quality of life of their citizens.
- **Civil works.** In the area of civil works, Grupo SANJOSE designs and builds communication routes that connect people, including bridges and tunnels that overcome the most complex natural environments, highways, roads, railroads, airports, maritime, and hydraulic works. These infrastructures are a priority for the progress of society as a whole and are executed under strict criteria of economic, social and environmental sustainability. The Group is committed to developing projects that are respectful of existing biodiversity, capable of driving development and accelerating modernisation. To achieve this, it meticulously studies each project, uses efficient management models, resorts to innovative construction techniques and carries out a careful execution, ensuring the satisfaction of the objectives set by the client and the needs of the users.
- **Industrial engineering and construction.** In the field of industrial

engineering and construction, technology and innovation are key elements in the culture of Grupo SANJOSE, essential for its competitiveness and credibility with clients.

- **Energy.** The Group has experience in the development of energy infrastructures and in the creation of cutting-edge facilities that improve service and promote efficiency in airports, hospitals and infrastructures for well-known multinationals. Grupo SANJOSE offers the complete execution of turnkey or EPC (Engineering, Procurement & Construction) projects, as well as advice or the execution of any of the phases that make up these initiatives. It adapts to the needs and particularities of each client by designing customised projects, based on innovation, the use of the latest technologies and the experience of its multidisciplinary and creative teams, capable of tackling the most complex challenges.

SANJOSE Energy and Environment:

Aware of the importance of the fight against climate change, Grupo SANJOSE encourages the promotion of renewable energies and the research and development of sustainable energy solutions. These initiatives are designed to reduce primary energy consumption and optimise the use of clean energy through the use of innovative technologies. In this way, it joins the efforts of major companies that, in coalition with governments around the world, are committed to curbing global warming and achieving the emission reduction targets agreed at world conferences on climate change.

As an Energy Services Company (ESCO), Grupo SANJOSE brings high added value to the sector through its experience as a developer and builder of clean energy projects. It offers specialized services and solutions tailored to the client in all phases of these initiatives, including engineering (study and design), operation and maintenance, and comprehensive energy management.

The Group currently holds a majority stake in several clean energy projects, such as a photovoltaic plant in the province of Jaen and a polygeneration plant in Catalonia. The development of clean energy, respect for the environment, and a commitment to sustainable development and energy efficiency policies are the pillars on which Grupo SANJOSE's activity in this line of business is based.

SANJOSE Concessions and services:

Grupo SANJOSE designs and develops business models that address long-term contracts, capable of providing recurring income, promoting sustainability, optimising resources, and contributing to social development anywhere in the world. The Group creates value and drives sustainable growth, improving people's lives by actively collaborating in the development of new and innovative infrastructures through public/private concession systems, as well as in the provision of maintenance services in various areas, which seek to combine citizen well-being with efficiency and energy savings.

SANJOSE Concessions and Services has multidisciplinary teams that optimise resources, maximise profitability, promote the use of new technologies, and provide efficient and personalised solutions to the concession or service required by its clients. The strategic policy, together with its extensive experience in all its areas of activity, allows it to have a competitive line of business with great potential for growth on a global level.

Real Estate Activity:

The main activity carried out by the Real Estate division consists of the sale of housing and land. The activity includes operations related to the purchase and holding of land reserves or other real estate assets, the development of real estate or urban planning projects, the sale of land, the development and sale of real estate assets, and the management of real estate investments and their rental to third parties.

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Results obtained

CSRD - ESRS 2 - SBM1- 40b, c, d / Law 11/2018 - Fiscal Information

The strategy of diversification in sectors complementary to construction has allowed Grupo SANJOSE to consolidate the construction business as an engine of growth and to increase its presence in other businesses.

The Group's total income amounts to 1,557,766 thousand euros. Grupo SANJOSE has no revenues corresponding to fossil fuels, chemical products, controversial weapons, or tobacco cultivation or production. The breakdown by activity is as follows:

Table 16. Breakdown of total income by sector of activity (Thousands of euros)

Sector of activity[3]	2024	2023
Construction	1.434.719	1.205.383
Real estate and urban development	7.629	15.508
Energy	10.143	14.496
Concessions and services	79.509	74.749
Consolidation adjustments and other	25.766	25.699

Table 17. Tax information (Thousands of Euros)

Law 11/2018 - Tax information

	Gross operating profit - EBITDA
Spain	58.491
Peru	1.887
Portugal	9.943
Other	3.821

	Corporate income tax due	Fees and taxes	Total
Spain	9.910	5.665	15.575
Peru	1.249	126	1.375
Portugal	2.484	312	2.796
Other	1.464	1.167	2.631

Grupo SANJOSE has made available a total of 129 thousand euros in public subsidies received in 2024 (123 thousand euros in 2023).

Sustainability targets and their assessment in terms of products and services, markets and stakeholders

CSRD - ESRS 2 - SBM1- 40e, f, g

Grupo SANJOSE develops a business model based on innovation and sustainability, which reinforces the activity committed to its values. In this sense, it is committed to the construction of innovative, functional, integrated buildings and solutions capable of overcoming the environmental and social challenges facing societies around the world, such as climate change, the optimisation of natural resources, mobility and social inclusion.

This commitment is based on the Group's adherence to the 10 Principles of the Global Compact and the commitments of its Environmental Policy. However, no strategic sustainability objectives

[3] The CSRD sector classification includes "energy production and utilities". The rest of the activities classified by Grupo San José have not been developed in this sector classification.

linked to Grupo SANJOSE's products and services, markets or stakeholders have been established.

The Group considers the preservation of the environment and energy efficiency within its strategic lines of business, responding to these challenges through SANJOSE Energy and Environment. This division promotes renewable energies and sustainable energy solutions.

Information on the Grupo SANJOSE Value Chain

CSRD - ESRS 2 - SBM1-

Grupo SANJOSE uses a wide variety of key inputs to carry out its projects, such as construction materials (cement, steel, glass, among others), energy resources, and technology. The Group adopts an ethical and responsible approach to the acquisition of these resources, strengthening alliances with suppliers that meet strict standards of quality, sustainability, and responsible practices. This strategy not only ensures a continuous and high quality supply, but also contributes to minimising the environmental impact of the value chain. By working with strategic partners aligned with its values, SANJOSE reinforces the resilience of its operation and reduces dependence on suppliers that do not meet the Group's environmental and social criteria.

The Group's business results are mainly represented by highly complex projects including transport infrastructures, hospitals, shopping centres, administrative buildings and energy facilities, and maintenance of hospitals, buildings, facilities etc.

These projects meet high standards of quality and sustainability and are designed to generate tangible long-term benefits for key stakeholders:

Table 18. Main stakeholders of Grupo SANJOSE

Interest group	Description
Clients	Grupo SANJOSE stands out for its commitment to intelligent and adaptive management, which allows it to offer customised and flexible solutions to its clients, responding quickly to market changes and the specific needs of each project. This approach ensures that customers receive high quality services and advanced technology on every project. In addition, the commitment to the client is based on a relationship based on transparency, integrity and the fulfilment of objectives, which contributes to long-term loyalty and satisfaction.
Shareholders	SANJOSE promotes a dynamic and diversified business model with business lines in construction, energy, real estate, concessions and services, and agriculture and livestock, which ensures risk diversification and a solid base for sustainable income generation. This, coupled with efficient resource management, maximises profitability and ensures a stable and growing return on investment for shareholders. Diversification and operational efficiency are key to the Group's resilience and its ability to adapt in different markets.
Employees	The Group offers its employees a highly technical training environment (R&D&I), where continuous innovation and the development of advanced skills are encouraged. This commitment to training and professional growth allows employees to develop a solid career. In addition, SANJOSE fosters a culture of permanence and global growth, promoting professional development in an environment of stability and opportunities, which is strengthened by the Group's international expansion.
Suppliers	By prioritising sustainable and local practices in the supply chain, Grupo SANJOSE establishes trusting and long-term relationships with its strategic suppliers, supporting them in their growth and in the adoption of responsible practices. This ensures the quality of inputs and services used in projects, strengthening a resilient and responsible supply chain that contributes to SANJOSE's sustainability objectives and local economic development.
Society	Grupo SANJOSE is committed to corporate social responsibility, actively working on projects that respect the environment, promote sustainability, and improve the quality of life in the communities where it operates. In addition, infrastructure projects contribute to the development of cities and the well-being of people, generating social and environmental benefits. The Group also focuses on quality and excellence in each of its projects, which not only brings value to customers, but also drives the

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sustained growth and modernisation of cities.

Grupo SANJOSE occupies a strategic position in the value chain, mainly in the construction and engineering sectors, taking an integrated approach from procurement of inputs to project delivery and concession management. In the initial phase of this chain (*upstream* segment) it works closely with selected suppliers that meet high standards of quality and sustainability.

At the core of its operations, Grupo SANJOSE manages a wide variety of activities. In the field of construction and engineering, it specializes in building, civil works, and industrial infrastructure projects, using advanced technologies and proprietary management models that guarantee technical and operational excellence. In the renewable energy sector, it develops initiatives focused on sustainability and emissions reduction, consolidating its position as a key player in the transition to a cleaner energy model.

In the *downstream* segment, the Group focuses on delivering quality projects and satisfying its customers, which include both public entities and large private corporations. In its collaboration with the public sector, which represents 27.5% of turnover in 2024, Grupo SANJOSE is positioned as a strategic partner for local, regional and state governments. The projects developed cover key infrastructures such as transport infrastructure, civil works and maintenance works. In addition, the management of administrative concessions combines the construction phase with recurring revenues from the provision of maintenance services, ensuring financial stability and long-term operational sustainability.

For its part, the private sector, which contributed 72.5% of the Group's activity in 2024, is another essential pillar of its business model. Grupo SANJOSE works closely with multinational companies and large corporations, developing projects in areas such as construction, energy installations and maintenance. In real estate, it collaborates with developers for the construction of housing, commercial projects and renovation of spaces, while in the industrial sector it executes specific works for large companies, guaranteeing standards of quality and compliance in complex and technically demanding projects.

b. Stakeholders' interests and views

CSRD - ESRS 2- SBM2 // Law 11/2018 - relations with community stakeholders

The contents included in this point respond to the ESRS 2 SBM-2 disclosure requirement, as well as to the contents corresponding to the SBM-2 disclosure requirements for each of the thematic standards: own personnel (S1), workers in the value chain (S2), affected groups (S3) and end users and consumers (S4).

Grupo SANJOSE takes a proactive stance in considering the interests and views of its stakeholders in the development and ongoing adjustment of its strategy and business model. The relationship with key stakeholders is structured through active engagement that seeks to understand their perspectives and expectations.

Stakeholder dialogue

Stakeholders are considered to be those individuals or social groups with a legitimate interest who are affected by the Group's present or future actions. This definition includes both stakeholders that form part of the Group's value chain (shareholders, employees, investors, customers and suppliers) and external stakeholders (administrations, governments, media, analysts, trade unions and society).

The Group has a number of communication channels designed to facilitate interaction with its stakeholders.

Investors have access to contact information through the corporate website and the CNMV, where they can communicate via email, telephone, or physical correspondence. Grupo SANJOSE has an Investor Relations and Shareholder Service Department, which provides a direct channel of communication via email (ir@gruposanjose.biz / accionistas@gruposanjose.biz).

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Both suppliers and customers have at their disposal the Supplier and Customer Ombudsman Channel created for the purpose of handling complaints, suggestions and observations related to the Group's services or business relations.

The procedure for accessing this channel is simple and accessible. Both suppliers and clients can submit their concerns through the e-mail addresses specifically set up for this purpose: defensor.cliente@gruposanjose.biz for clients and defensor.proveedor@gruposanjose.biz for suppliers. In addition, these contacts are available on the Grupo SANJOSE website, ensuring that interested parties can easily access them. This channel is complemented by other means of communication, such as direct contact through commercial delegates, who oversee the fulfilment of commitments and maintain close relations with clients.

With regard to **its own personnel**, Grupo SANJOSE has established multiple mechanisms to guarantee continuous monitoring of the needs and expectations of its workers.

- It has a suggestion box that allows employees to send suggestions for improvement directly and confidentially.
- Area delegates and activity area managers act as direct interlocutors, available to collect concerns and needs through meetings, phone calls or written communications, including interaction with team leaders.
- Employee representation through trade unions and representatives ensures that any negative impacts are identified and managed quickly and effectively, thus fostering a participatory and equitable working environment. Among other channels, employees have the Equality Plan Monitoring Committee, made up of representatives of employees, the Group and trade unions, where they can raise any discrepancies, concerns or specific needs.
- The Group has made a direct information channel available to employees via e-mail or telephone in the event of any incident relating to harassment or equality (igualdad@gruposanjose.biz / acoso@gruposanjose.biz).
- Online channel for employees. Grupo SANJOSE has a specific web portal for employees (Grupo SANJOSE Forum) that allows them to access all the necessary documentation and communicate their concerns. In 2024, work has been done on the creation of the new employee portal Somos SANJOSE, which will be available in 2025.

In terms of **stakeholder participation in due diligence processes**, in 2016 Grupo SANJOSE implemented the Group's code of conduct and anti-corruption policy. To this end, it carried out an analysis with the corresponding areas, which allowed it to set and define objectives for improvement. Among others, dissemination mechanisms and communication channels are established in order to forge appropriate conduct on the part of all the people who make up or participate in the Group and to facilitate access to the information and rules established.

In addition, the Group's stakeholders have the corresponding channels of complaint and dialogue to report any incident and participate in this process, which are detailed as follows

- Internal reporting system via the website https://gruposanjose.biz/sistema-interno.php, telephone 918 065 432 or email informante@gruposanse.biz. This confidential Whistleblowing Channel allows employees, managers and third parties to securely report any suspected negative incidents, non-compliance with regulations or the Group's internal commitments.
- General channels of the Image and Communication Department (press) available to any user through the Group's website or e-mails (central@gruposanjose.biz and imagen.comunicación@gruposanjose.biz). This channel makes it possible to identify and manage any incident occurring throughout the Group's value chain. The Communication Department is responsible for dealing with these incidents and passing them on to the department responsible for their management. Each case follows a protocol whereby the

incident is opened and followed up until it is closed. Throughout 2024, 43 incidents were received through this channel, all of which were managed and closed during the year (Law 11/2018 - Complaints and claims).

Understanding stakeholder interests and their influence on strategy

During financial year 2024, the materiality assessment of sustainability impacts, risks and opportunities was carried out for the first time. This analysis has incorporated the interests and opinions of stakeholders, as described in section 1.1.4. of this report.

The constant listening to stakeholders and the preparation of the first double materiality analysis allow us to identify priorities for action and adapt the corresponding action plans. Grupo SANJOSE establishes its economic-financial objectives based on its business plan, which focuses on contracting in Spain and the development of international activity. The Group is working on a work plan to integrate the results of the dual materiality analysis and its governance into the strategy and organisation.

Information to administrative, management and supervisory bodies on stakeholder opinions and expectations

In order to continuously assess relations with other stakeholders and to inform the administrative, management and supervisory bodies of both its expectations and any potential issues, the Group has mechanisms in place to escalate these issues when necessary.

- The Whistleblower Channel is managed by the Supervisory Body, which has a fluid and constant dialogue with the Board of Directors.
- For the management of other incidents, its content is integrated into the regular meetings of the regional or business unit delegations. These sessions, which bring together the heads of various areas of the organisation, including the CEO and the Group Vice Chairman, review progress on projects, commercial interactions, key administrative steps and potential risks and impacts identified, including communications with relevant stakeholders. This approach enables responses and approaches to be adjusted efficiently, ensuring that the Group's strategic and operational decisions are aligned with stakeholder expectations and sustainability principles.

This approach ensures the organisation's ability to understand the views of its stakeholders, to deal with queries and requests efficiently and according to the needs of each interaction.

c. Impacts, risks and opportunities: results of the dual materiality analysis

CSRD - ESRS 2-

The contents included in this point respond to the ESRS 2 SBM-3 disclosure requirement. The contents corresponding to the SBM-3 disclosure requirements of each thematic NEIS have been included in the corresponding blocks that respond to the thematic NEIS: climate change (E1), pollution (E2), biodiversity (E-4), circular economy (E5), own staff (S1), workers in the value chain (S-2), affected groups (S-3) and end users (S4).

Material value chain impacts, risks and opportunities

The first dual materiality analysis of Grupo SANJOSE allows for the identification and prioritisation of impacts, risks and opportunities (IRO) throughout the value chain and the different operations of the Group's activity. The process has taken into account different variables such as the locations of the activities (both fixed and mobile), the Group's inputs and its results.

The main IROs resulting from the analysis, classified according to the sustainability themes and sub-themes established by ESRS 2 AR 16, are described below:

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Table 19. Results of the Dual Materiality analysis

CSRD - ESRS 2 - SBM 3 / Law 11/2018 - Factors and trends that may affect the Group

Theme	Results	Description	Location
Climate Change	Impacts, risks and opportunities	Adaptation to climate change represents an opportunity due to the potential increase in tenders to adapt, repair and build new infrastructures or residential projects adapted to the new climate conditions. In turn, impacts, risks and opportunities are identified in climate change mitigation derived from the emissions of the Group's activity and its value chain, as well as the complexity of adapting the business model to regulatory and stakeholder requirements.	Upstream value chain, own operations and downstream value chain
Air pollution	impacts, risks	GSJ's activity entails potential impacts related to atmospheric pollution (noise, light, dust and other pollutants), accidental spills and other incidents that can affect both ecosystems and neighbouring populations. This in turn brings with it potential risks due to increased regulation or stakeholder demands.	Upstream value chain, own operations and downstream value chain
Biodiversity	Impacts	GSJ's activity has potential negative impacts on biodiversity due to changes in land use or effects on the environment, ecosystems and neighbouring species. These impacts are managed from the design of the projects (upstream value chain) and in the execution of these through the group's activity.	Upstream value chain and own operations
Circular Economy	Impacts, risks and opportunities	includes potential impacts from the input of renewable and non-renewable resources and raw materials that can lead to scarcity, deforestation or pollution, and which result in risks such as increased raw material costs, as well as opportunities arising from the efficient and sustainable management of these inputs. The Group's activity also entails potential impacts derived from the generation of waste, as well as the opportunities generated by the recovery of this waste and its reintroduction into the value chain.	Own operations
Working conditions for own staff and workers in the value chain	Impacts, risks and opportunities	The management of the working conditions of the Group's own employees involves the Group's employees and workers in the value chain, especially subcontractors. It covers wage conditions, working time, well-being, motivation, freedom of association, social dialogue and the personal and professional balance of employees. Finally, it includes occupational risk prevention measures and occupational health and safety conditions.	Own operations, downstream value chain
Equal treatment and equal opportunities for all own personnel	impacts, risks and opportunities	It includes a commitment to employee equality and diversity, anti-harassment and anti-violence measures. Actions aimed at the professional development of employees and the acquisition of the necessary skills for the Group are integrated. Trends in the labour market and the increase in regulation and the demands of stakeholders in matters such as work-life balance or diversity increase the complexity of attracting talent.	Own operations
Other employment rights of own staff	Impacts	GSJ carries out due diligence to ensure respect for human rights in all direct and indirect activities. The analysis of human and labour rights for the company's own personnel and those of the value chain determines that access to housing for employees is relevant in those positions where the activity requires moving from the usual place of residence.	Own operations
Affected groups	Impacts and risks	GSJ's activities have an impact on the communities surrounding the projects, such as noise and vibrations, potential incidents or use of spaces and land. This may result in risks for the Group in the event of significant risks to the safety of people or their private property. GSJ works to enhance the positive impacts of its activities on these groups, such as the improvement of public or	Own operations

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Theme	Results	Description	Location
		private facilities that can enhance the value of the neighbourhoods and areas where it operates.	
End-users	impacts, risks and opportunities	It integrates the improvement in the quality of life and access to modern, sustainable and efficient housing and infrastructure resulting from the Group's activities. On the other hand, the Group is vicariously liable for potential incidents in these assets that may jeopardise the safety of its users. In this regard, it maintains a firm commitment to excellence in the development and execution of all actions.	Own operations and downstream value chain
Corporate culture, corruption and bribery prevention and whistleblower protection	impacts and risk	Grupo San José's Model of Conduct integrates ethical behaviour, whistleblower protection or information security measures to ensure the protection of personal data.	upstream value chain, own operations and downstream value chain
Supplier management	Risks and opportunities	Grupo SANJOSE continuously analyzes the evolution of raw materials associated with its main line of activity, construction, as well as the key relationship with its suppliers. The complexity of relationships in a global context poses risks for the operation, while strengthening collaboration with its suppliers can provide opportunities to facilitate access to the materials and human capital necessary for the Group's activity.	Upstream value chain, own operations and downstream value chain

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Current and expected impacts of IROs on business model, value chain and strategy

CSRD - ESRS 2- SBM2 - 48b

Grupo SANJOSE prepared its first materiality analysis in 2019 to respond to the requirements of the Non-Financial Reporting Law 11/2018, allowing it to identify stakeholder sensitivity and internal prioritisation of different issues. The analysis considered the international standards (ISO 9001, ISO 14001, ISO 45001) implemented in the Group, as well as selected Global Reporting Initiative Standards, including the applicable additional information required by the Construction and Real Estate sector supplement.

The Group has not implemented a sustainability strategy, however, the results of the analysis identified sustainability priorities which were integrated into specific work plans. In relation to risks associated with personnel management (talent recruitment), training and talent identification mechanisms have been put in place.

With regard to the risks identified in environmental matters, especially climate change and the use of sustainable materials, the Group considers the preservation of the environment and sustainable development as fundamental premises within its strategic business lines. Various measures have been implemented to protect the environment.

This work is completed in 2024 with the preparation of the Group's first dual materiality analysis, which identifies the main impacts, risks and opportunities. The expected effects on the business model imply the evolution of the strategy to respond to the material IROs through specific action plans and targets for sustainability issues. The analysis will be the basis for the definition of the sustainability action plan to mitigate negative impacts and enhance the Group's positive impacts on the environment. In addition, governance mechanisms will be established, through the responsibility of the Audit Committee and the Supervisory Body. Similarly, the action plans must integrate GSJ's value chain.

Material impacts

CSRD - ESRS 2- SBM2 - 48c

The material impacts for Grupo SANJOSE and its value chain are presented below.

For each impact, the direction (positive or negative), the level of realisation (current or potential), the linkage of the impact to the Group's activity (whether the business model contributes to the impact or is the cause), the location of the impact in the value chain and the time horizon have been indicated.

Table 20. Material impacts of Grupo SANJOSE and its value chain

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THEME / SUB-THEME	DESCRIPTION	ADDRESS	REALISATION	LINKING	TIME HORIZON	VALUE CHAIN
Climate change mitigation	Emissions from the consumption of electricity and fuel used in equipment, vehicles or machinery under the Group's control (owned vehicles, generator sets, heating, etc.) contribute to the generation of Scope 1 emissions, with an impact on climate change. In addition, fugitive emissions in Group buildings (air conditioning, fire extinguishers) can also contribute to the generation of GHG emissions.	Negative	Current	Cause and contribution	Short term	Own operations
	Emissions derived from the value chain. Indirect greenhouse gas emissions generated by the activity of suppliers and subcontractors when providing services to the Group for contracted services and/or products, business trips, etc. contribute to the generation of Scope 3 emissions, with an impact on climate change.	Negative	Current	Cause and contribution	Short term	Upstream value chain, Own operations and downstream value chain
Air pollution	Air pollution from the release of pollutants during construction processes and associated activities such as transport, as well as in energy generation and services activities. Includes light and noise pollution due to activities.	Negative	Current	Cause and contribution	Short term	Upstream value chain, Own operations and downstream value chain
Factors directly affecting biodiversity loss	Construction activity, as well as the construction of assets for the energy business, may involve changes in land use, removal of vegetation, intensive use of machinery, diversion of watercourses or alteration of coastlines, causing fragmentation of ecosystems, land degradation or direct loss of biodiversity.	Negative	Potential	Cause and contribution	Medium term	Upstream value chain and own operations
	The incidence of air and soil pollution from the Group's activities (especially construction and energy) affects the quality of ecosystems and the loss of biodiversity.	Negative	Current	Cause and contribution	Medium term	Upstream value chain and own operations
Resource input	The consumption of non-renewable materials such as concrete or natural stone affects the availability of raw materials, their cost and the generation of pollution in the extraction processes.	Negative	Potential	Contribution	Medium term	Upstream value chain and own operations
	The consumption of raw materials with a risk of causing deforestation (wood, paper), pollution (chemicals, plastics, technological products, etc.) or very intensive in the use of energy (steel) in their production process.	Negative	Potential	Contribution	Medium term	Upstream value chain and own operations
Waste	The Group's activity generates hazardous and non-hazardous waste, especially construction activity generates a large amount of waste with an impact on pollution and GHG emissions, especially those due to earthworks or Construction and Demolition Waste (CDW).	Negative	Potential	Contribution	Medium term	Own operations and downstream value chain
Working conditions	Creation of quality employment with jobs adapted to different professional profiles and appropriate workloads, as well as fair conditions in salaries and remuneration packages for employees.	Positive	Current	Cause and contribution	Short term	Upstream and downstream value chain and own operations
	GSJ establishes transparent labour relations that are governed by sectoral agreements for all companies in Spain and by the regulations in force for international companies, thus guaranteeing the ability of workers to participate in social dialogue.	Positive	Current	Contribution	Short term	Own operations
	Difficulty in reconciling work and family life due to the Group's activity, especially during work peaks or more intensive activities or those requiring relocation.	Negative	Potential	Cause and Contribution	Short term	Own operations
	Exposure of GSJ employees to physical and mental health problems that can lead to accidents, occupational diseases and affect the general wellbeing of the staff.	Negative	Potential	Contribution	Short term	Own operations and downstream value chain
	Construction is one of the sectors with the highest accident rates, exposing workers to occupational accidents, such as falls, serious injuries or exposure to hazardous substances. In addition, they may have a high exposure to adverse weather phenomena. caused by climate change (heat waves, floods, etc.).	Negative	Potential	Contribution	Short term	Own operations and downstream value chain
Equal treatment and opportunities	Despite the reality of the construction sector, where the majority of employees are male, especially in technical positions, GSJ works for the incorporation and development of female professionals and equal pay. This has allowed it to increase the presence of women in the workforce and not to have a significant wage gap.	Positive	Current	Cause	Short term	Own operations
	Employees have access to career development based on regular appraisals and performance targets. Continuous training and education of employees has an impact on improving their skills and increasing their employability.	Positive	Current	Cause	Short term	Own operations

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THEME / SUB-THEME	DESCRIPTION	ADDRESS	REALISATION	LINKING	TIME HORIZON	VALUE CHAIN
	Faced with the difficulty of finding suitable disabled profiles and adapting positions in the construction activity, GSJ is committed to hiring disabled personnel through special employment centres for activities such as maintenance and cleaning.	Positive	Current	Cause	Short term	Own operations
	Incidents or potential violations of the code of conduct can lead to situations of harassment in the workplace, understood as the use of power against a person or group that may affect their physical, mental, spiritual, moral or social development.	Negative	Potential	Cause	Short term	Own operations
Other labour rights: housing	Conditions in the construction sector may require the relocation of employees away from their homes, necessitating adequate and cost-effective housing solutions.	Negative	Potential	Cause	Short term	Own operations
Economic, social and cultural rights of the groups concerned	Construction projects, such as infrastructure or real estate developments, can affect collective access to agricultural land, fishing grounds or water resources, as well as involve expropriation or forced displacement of local communities.	Negative	Potential	Contribution	Short term	Bottom-up value chain
	Affecting the tranquillity and quality of life of communities due to the generation of high levels of noise and vibrations. In addition, inadequate implementation of security measures or incidents for various reasons can cause inconvenience.	Negative	Potential	Cause	Short term	Own operations
Security of a person	Inadequate use and/or maintenance of the assets built by GSJ, the homes developed or the maintenance activity in facilities can generate potential negative impacts on the personal safety of customers and their property linked to falls, safety incidents in homes and services, safety failures in civil works, etc.	Negative	Potential	Contribution	Short term	Downstream value chain
Access to products and services	Residential construction and infrastructure improvements can contribute to the availability of housing for end-consumers, especially for the most vulnerable, as well as to the improvement of services and infrastructure available to citizens.	Positive	Potential	Contribution	Short term	Downstream value chain
Corruption and bribery	Inappropriate and/or abusive practices in relation to corruption and bribery by employees, managers and directors affect social trust, redistribution of wealth, market competitiveness and access to quality services, among others. Especially in those countries with the highest risk of corruption.	Negative	Potential	Cause	Short term	Upstream and downstream value chain and Own operations

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Financial effects of material risks and opportunities

CSRD - ESRS 2- SBM2 - 48d, e

The double materiality exercise involves the assessment of actual and potential (expected) financial effects of risks and sustainability-related issues. In the financial year 2024, no material financial effects have materialised, i.e. that could lead to a material adjustment to the assets and liabilities disclosed in the financial statements.

Regarding the expected financial effects, Grupo SANJOSE is working to be able to provide consistent quantitative information on the risks and opportunities analysed. The Group does not disclose this information in accordance with the transitional provision (ESRS1-Appendix C) that allows for the omission of the disclosure requirement SBM-3 DR48 e "Expected financial effects of material risks and opportunities on the company's financial position".

Resilience of the strategy and business model

CSRD - ESRS 2- SBM2 - 48f

The management of the identified material IROs will be coordinated through the Audit Committee, which is responsible for monitoring the defined sustainability risks and controls. These controls are designed together with the specialist functional areas responsible for each material issue, which are responsible for defining and managing the specific actions to enhance addressing impacts, risks and opportunities.

Grupo SANJOSE does not have a formal resilience analysis. However, each material issue is covered by specific action plans and control mechanisms such as business continuity plans, emergency management protocols or specific training plans.

Changes in reported material issues and follow-up and relationship to reported information

CSRD - ESRS 2- SBM2 - 48g

The dual materiality analysis conducted in 2024 is based on the material issues identified by the Group in the past. This approach allows the current results to be linked to the themes extracted from previous exercises. The material IROs provide greater depth and understanding of the previous material issues, while keeping sustainability priorities constant.

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Table 21. Changes in the reported material topics with respect to the year 2023

Previous material priorities	Impacts, risks and opportunities 2024
Organisational values and good corporate governance.	Corporate culture
Business-related risks.	Financial materiality
Social and personnel issues.	Working conditions, equality and diversity, other labour rights and working conditions of value chain workers
Environmental and quality issues.	Climate change, pollution, biodiversity, circular economy, end-users
Ethical management issues.	Corruption and bribery
Matters relating to the Group's commitment to the Company.	Affected groups

Follow-up and relation with the reported information (48 h)

CSRD - ESRS 2- SBM2 - 48h

All information reported on material IROs relates to the relevant disclosure requirements in the European Sustainability Standards (ESRS).

1.1.4. Impact, risk and opportunity management

a. Information on the materiality assessment process (Dual Materiality)

Process for assessing dual materiality

CSRD - ESRS 2- IRO-1 // CSRD - Materiality

Grupo SANJOSE has implemented a comprehensive dual materiality analysis to identify the impacts, risks and opportunities that are relevant to its operations and to society. This analysis has been conducted in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of December 2022 and following the recommendations of the EFRAG IG 1 Materiality Assessment implementation guide.

The dual materiality methodology carried out includes the participation of stakeholders, through expert internal interlocutors, during phases 2 and 3 of the materiality process, who provide an informed view aligned with best regulatory practices. This has validated the relevance of the issues identified and ensured that stakeholder expectations and concerns are reflected in the analysis, thus guaranteeing a comprehensive and contextualised perspective on potential impacts, risks and opportunities.

The sustainability decision-making process and internal control procedures are integrated into the corporate governance structure of Grupo SANJOSE. The results of the materiality analysis will be reviewed by the Audit Committee and the internal audit department, which validate and supervise the controls to ensure that material issues are reflected in strategic decisions. This integration allows for a coordinated and rigorous management of risks and opportunities, aligned with corporate objectives.

The dual materiality analysis has followed an approach structured in three main phases:

Phase 1. Context Analysis

Firstly, the phase of understanding the context focuses on the exhaustive analysis of Grupo SANJOSE's operational environment, covering both its supply chain (upstream) and its own operations and downstream activities. This analysis provides an understanding of the ecosystem in which the Group operates, identifying the relevant stakeholders, the activities, products and services that make up its business model, as well as the external actors and factors that can influence its

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operations. This context provides a solid basis for effectively identifying the Group's environmental, social and governance impacts.

Phase 2. Identification of IROs (Impacts, Risks and Opportunities)

At this stage, a comprehensive list of 166 preliminary current and potential impacts, risks and opportunities was developed. The identification of IROs was based on the sustainability issues defined in EFRAG's ESRS standards, complemented by specific elements identified through analysis of internal information, competitor, sectoral and sustainability standards, as well as interviews with internal experts.

Phase 3. IRO assessment

The third phase, assessment and determination of materiality, was based on the application of two analytical perspectives to quantify and prioritise the identified impacts, risks and opportunities: impact materiality and financial materiality.

- In the **impact materiality**, the effects that SANJOSE's activities may have on the environment and stakeholders were evaluated. The evaluation was carried out based on the severity (severity, scope and possibility of repair) and probability of the impacts, establishing prioritisation criteria based on these parameters. With regard to negative impacts, priority was given to those related to human rights, considering them to be material when they were of high severity, regardless of their likelihood.
- In **financial materiality**, the likelihood and magnitude of the financial effects that the identified risks and opportunities may have on the Group's performance and economic position were analysed. This analysis included assessing the impact on financial results, balance sheet position, cash flow and access to information. The material risks and opportunities in this category were prioritised based on their potential to significantly affect the Group's financial results and value to investors.

In the final phase, the material IROs resulting from the impact and financial assessments were integrated into a final list of priority issues. The consolidation is presented in a dual materiality matrix, differentiating the material impacts into two axes: impact on society and the environment and financial impact for the Group. This approach has allowed us to prioritise those issues relevant to both society and the business, ensuring that they are addressed in the strategy and sustainability reporting.

Disclosure requirements set out in ESRS covered by sustainability status

CSRD - ESRS 2- IRO-2

In order to select the disclosure requirements that should be included in this report, Grupo SANJOSE has worked on classifying its material IROs according to the sustainability topics and subtopics established in AR16 of ESRS 1. Based on this identification, those disclosure requirements (DR) that should be included in the report have been selected and are reflected in Annex 2 of this document.

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02

Environmental information.

Information related to the Taxonomy Regulation //Climate change (E-1) // Pollution (E-2) // Biodiversity and ecosystems (E-4) // Circular economy (E-5)

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ENVIRONMENTAL INFORMATION

2.1. Introduction to the EU Taxonomy regulation

On 12 July 2020, the European Union Regulation (EU) 2020/852 came into force to facilitate the redirection of capital flows towards more sustainable activities. It is intended to respond to initiatives such as the Green Pact, the Paris Agreement or the Sustainable Development Goals, contributing to the transformation of the current economic model towards a carbon neutral one.

In December 2021, Delegated Regulation (EU) 2021/2178 of 6 July 2021 was published, supplementing EU Regulation 2020/852, which determines the specifications for the content and presentation of information to be disclosed by companies regarding environmentally sustainable economic activities.

With regard to the technical selection criteria for determining under which conditions an economic activity is to be considered as making a substantial contribution to environmental objectives, the following delegated regulations were established:

- Delegated Regulation (EU) 2021/2139 of 4 June 2021, which establishes technical selection criteria for climate change mitigation or adaptation targets. This Regulation was supplemented by Delegated Regulation (EU) 2023/2485 of 27 June 2023.
- Delegated Regulation (EU) 2023/2486 of 27 June 2023 developing technical selection criteria for the objectives of sustainable use and the protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, or the protection and restoration of biodiversity and ecosystems.

Considering this legislative framework Grupo SANJOSE has proceeded to analyse its activities according to the substantial contribution to the different objectives "Mitigation of Climate Change", "Adaptation to Climate Change", "Sustainable use and protection of water and marine resources", "Transition to a circular economy", "Prevention and control of pollution", "Protection and recovery of biodiversity and ecosystems" and "Protection and recovery of biodiversity and ecosystems".

Grupo SANJOSE has analysed its economic activities to classify them as eligible and non-eligible, taking into account all the companies in which it has economic control. In addition, information on the alignment of activities is included.

To determine the ratios for the alignment of sales, CapEx and Opex figures, the technical criteria of substantial contribution to the different environmental objectives as well as the criteria relating to the DNSH principle have been assessed centrally.

Methodology applied

In order to be able to implement the EU Regulation, Grupo SANJOSE has defined a working methodology with different steps that are explained below. This methodology avoids the possible duplication of activities, both financially and in terms of technical selection. To this end, Grupo SANJOSE's ERP system has been used, where all the financial information from the work centres is collected and where, in order to prepare this report, a special module dedicated to the Taxonomic Regulation has been developed. Within this module, two parts are distinguished: a first part where a questionnaire is answered by the managers of the activity centres and a second part where the evidence is stored in case the activities are eligible and aligned, regardless of the climate target.

The following is a summary of the entire methodology followed for this development within the ERP. The steps followed from the beginning are:

1. Identification of activities: This process was carried out by the Central Administration, in which the economic activities carried out by the Group were identified and which are indicated according to NACE (1893/2006) and their equivalence to CNAE 2009. In order to

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carry out this identification, the different documents sent to the Tax Agency were used. In the event that it was not identifiable in this process, a process based on knowledge of the company by similarity of work was carried out.

2. Development of the taxonomic questionnaire: Once the activities had been defined, a specific questionnaire was developed for the Taxonomic Regulation. This questionnaire starts with the choice of the corresponding activity and then leads to successive questions on the fulfilment of the technical selection criteria and "no significant detriment" to the other climate objectives. This questionnaire was verified by different computer path tests and examples under development.
3. Implementation of the taxonomy questionnaire: Once the questionnaire had been developed and enabled within the Grupo SANJOSE ERP, all country, company and area managers were officially informed of the obligation to answer and complete the questionnaire. Officially, the procedure to be followed in the ERP was attached, as well as a specific manual indicating the objectives of the Taxonomic Regulation and the criteria to be followed in answering each question. In order to clarify specific situations, this manual has specific annexes corresponding to the questions.

Once the questions are answered, the ERP system generates a printable report containing all answers and the final result of the activity centre, i.e. eligibility (yes or no), alignment (yes or no) and the target that is met in case of eligibility and alignment.

4. Alignment with minimum safeguards: Alignment with Minimum Safeguards (MS) is checked at the level of each economic activity and takes an entity or company level perspective. Here, it is ensured that Grupo SANJOSE complies with the minimum safeguards in accordance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions mentioned in the ILO Declaration and the International Bill of Human Rights. These principles and rights are compiled in different sections of this non-financial report for the year 2024.

Eligibility criteria for activities

As indicated in the previous section of the methodology applied in this report, the process of identifying activities was carried out in accordance with NACE (1893/2006) and its equivalence to CNAE 2009. In order to carry out this identification, the different documents sent to the Tax Agency were used. In the event that the company could not be identified in this process, a process based on knowledge of the company by similarity of work was carried out. As a result of this selection process, the activities considered by Grupo SANJOSE are as follows:

Table 22 - Activities considered in the selection process

Target / Activity	Climate change mitigation (Delegated Regulation 2021/2139)	Climate change adaptation (Delegated Regulation 2021/2139)	Circular economy transition (Delegated Regulation 2023/2486)
Construction of new buildings	7.1	7.1	3.1
Renovation of existing building	7.2	7.2	3.2
Electricity generation using solar photovoltaic technology	4.1	4.1	-
Heat/cooling production from bioenergy (biomass)	4.24	4.24	-

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Electricity generation from wind energy	4.3	4.3	-
Construction, extension and operation of water catchment, treatment and distribution systems	5.1	5.1	-
Infrastructure for rail transport	6.14	6.14	-
Infrastructure enabling low-carbon road transport and public transport	6.15	6.15	-
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings	7.5	7.5	-
Acquisition and ownership of buildings	7.7	7.7	-
Professional services related to the energy efficiency of buildings	9.3	-	-
Demolition and demolition of buildings and other constructions	-	-	3.3
Road and motorway maintenance	-	-	3.4
Use of concrete in civil engineering	-	-	3.5

Activity alignment process

As indicated in the section on the methodology applied, in order to define the alignment of the activities with one of the defined objectives, as of 31 December 2024 and based on the selection criteria defined in the legislation in force, the questionnaire developed in the ERP and explained in the methodology section was used. As this is an IT process and for a better understanding, a flow chart of the questionnaire to be carried out by each work centre manager is attached.

Once the questionnaire has been answered in the manual distributed to those responsible, it is indicated that, in the event that their work centre has been found to be Eligible and Aligned, they must upload to the system all the documentation that serves as support and evidence of the answers provided. This documentation is stored in a specific folder of the ERP system in the taxonomic regulation module and can be reviewed at any time.

A complete theoretical flowchart of the process of alignment with all the environmental objectives established in the taxonomic legislation is attached, however, currently the activities carried out by Grupo SANJOSE do not make a substantial contribution to the objectives of: "sustainable use and protection of water and marine resources", "prevention and control of pollution", or "protection and recovery of biodiversity and ecosystems".

Figure 3 - Process of alignment with environmental objectives

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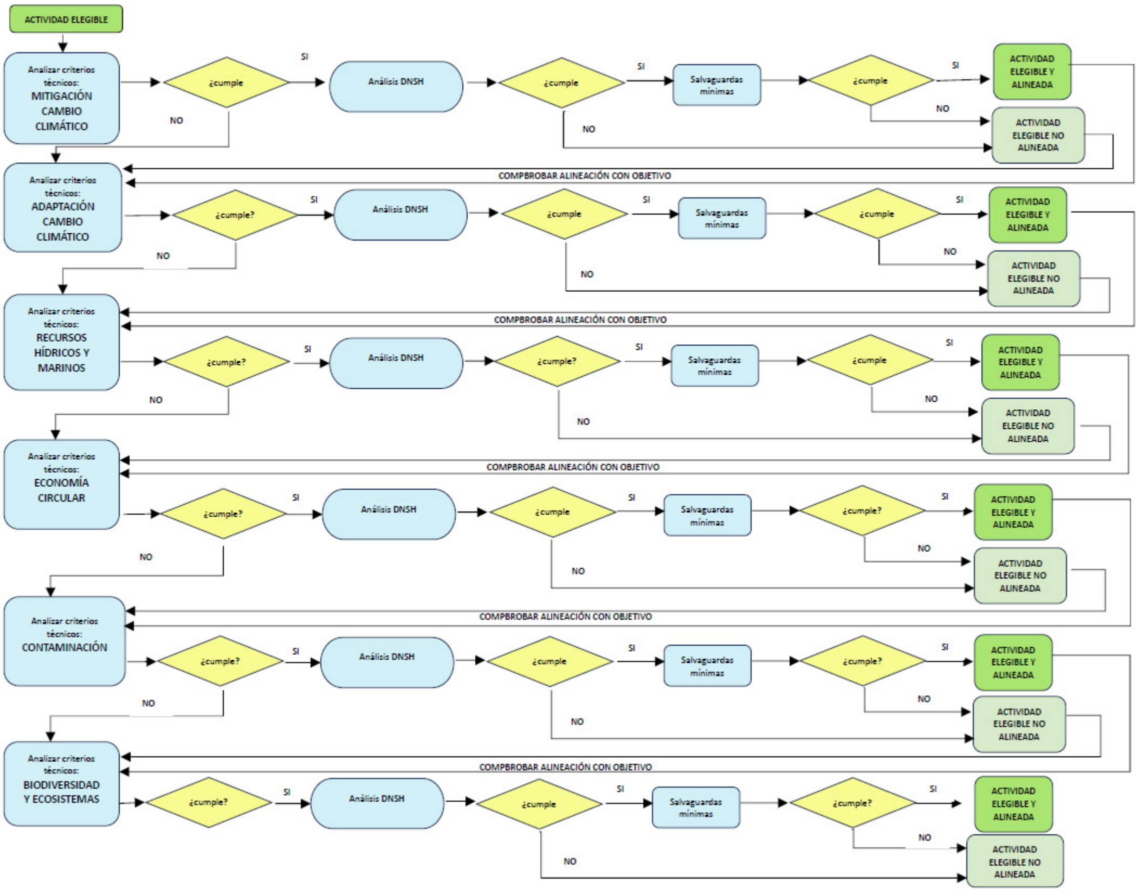
ANÁLISIS CUMPLIMIENTO OBJETIVOS CLIMÁTICOS - ALINEAMIENTO



Economic data/tables

In order to prepare the economic information contained in the tables attached to this section, a specific report has been developed within the Group's ERP. This report is based on financial accounting at the work centre level, which allows full traceability of the information contained in each of the selected activities. The report has been developed in accordance with the definitions of revenue, Opex and Capex contained in Regulation (EU) 2020/852 and taking into account the amendments in Annex V of Regulation 2023/2486. Intercompany transactions, consolidation entries and other adjustments have been considered in the preparation of the information contained in the tables presented in this report to avoid duplication.

It is clarified that, due to the characteristics of Grupo SANJOSE's analytical accounting and control system, there is no possibility of duplication of activities in the same contract. In this case, different work centres are always created in the company for each activity.

The indicators have been calculated on the following basis:

- Turnover: Turnover ratio as referred to in Article 8(2)(a) of Regulation (EU) 2020/852, i.e. the sum of the product of the percentages associated with taxonomic activities with the consolidated turnover of the companies analysed and considering the amendments included in Annex V of Regulation 2023/2486.
- Capex: The proportion of investments in fixed assets as referred to in Regulation (EU) 2020/852, taking into account additions to property, plant and equipment, intangible assets and investment property, excluding depreciation and impairment and considering the amendments included in Annex V of Regulation 2023/2486.
- Opex: Composed according to Regulation (EU) 2020/852 of non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the daily maintenance

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of property, plant and equipment assets, by the company or a third party to whom these services are outsourced, and which are necessary to ensure the continuous and efficient operation of these assets. In addition, companies applying national GAAP and not capitalising right-of-use assets will include leasing costs in their Opex. In turn, the amendments included in Annex V of Regulation 2023/2486 have been taken into consideration.

The Annual Accounts for 2024 show a breakdown of revenues by line of business, type of customer and geographic market. It also shows information on Opex and Capex during the year. In addition, a detail of the companies that make up the consolidated group of Grupo Empresarial San José, S.A., the basis for the information presented in the attached tables, is shown.

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FINANCIAL YEAR 2024 REVENUE[4]	YEAR 2024			SUBSTANTIAL CONTRIBUTION CRITERIA						CRITERIA FOR LACK OF MATERIAL INJURY									
ECONOMIC ACTIVITY (FIGURES EXPRESSED IN THOUSANDS OF EUROS)	CODES	TURNOVER	SHARE OF TURNOVER	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	CONTAMINATION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM GUARANTEES	PROPORTION OF TURNOVER COMPLYING WITH TAXONOMY 2023	CATEGORY (FACILITATING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE																			
A.1 Turnover from environmentally sustainable activities (conforming to the taxonomy)																			
Electricity generation photovoltaic technology (construction or operation)	4.1	66.488	4,3 %	33.244	33.244	-	-	-	-	S	S	S	S	S	S	S	0,7 %		
Construction, extension and operation of water collection, treatment and distribution systems.	5.1	13.657	0,9 %	-	13.657	-	-	-	-	S	S	S	S	S	S	S	0,0 %		
Infrastructure for rail transport	6.14	12.038	0,8 %	12.038	-	-	-	-	-	S	S	S	S	S	S	S	0,5 %	F	
Construction of new buildings	7.1	200.091	12,8 %	100.046	100.046	-	-	-	-	S	S	S	S	S	S	S	9,4 %		
Renovation of existing buildings	7.2	20.678	1,3 %	14.639	6.039			-		S	S	S	S	S	S	S	0,6 %		
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings.	7.5	17.834	1,1 %	9.698	8.136	-	-	-	-	S	S	S	S	S	S	S	5,5 %		
Professional services related to the energy efficiency of buildings	9.3	-	-	-	-	-	-	-	-	S	S	S	S	S	S	S	0,2 %		
Total A.1		**330.786**	**21,2 %**	**10,9 %**	**10,3 %**	**-**	**-**	**-**	**-**								**16,8 %**		
Of which: facilitators		12.038	0,8 %	0,8%	-	-	-	-	-	S	S	S	S	S	S	S	0,5 %	F	
Of which: transitional		-	-	-	-	-	-	-	-	S	S	S	S	S	S	S	-		T
A.2 Turnover from taxonomically eligible but not environmentally sustainable activities																			
Demolition and destruction of buildings and other structures	3.3	82	0,0 %	EL	EL	EL	EL	EL	EL								0,0 %		
Electricity generation photovoltaic technology (construction or operation)	4.1	4.163	0,3 %	EL	EL	EL	EL	EL	EL								0,3 %		
Heat/cooling production from bioenergy (biomass)	4.24	209	0,0 %	EL	EL	EL	EL	EL	EL								0,0 %		
Electricity generation by wind energy (construction or operation)	4.3	129	0,0 %	EL	EL	EL	EL	EL	EL								0,0 %		
Construction, extension and operation of water collection, treatment and distribution systems.	5.1	1.043	0,1 %	EL	EL	EL	EL	EL	EL								0,3 %		
Infrastructure for rail transport	6.14	55.203	3,5 %	EL	EL	EL	EL	EL	EL								3,1 %		
Infrastructure enabling low-carbon road transport and public transport	6.15	30.709	2,0 %	EL	EL	EL	EL	EL	EL								2,9 %		
Construction of new buildings	7.1	938.295	60,2 %	EL	EL	EL	EL	EL	EL								58,9 %		
Renovation of existing buildings	7.2	156.464	10,0 %	EL	EL	EL	EL	EL	EL								13,0 %		
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings.	7.5	1.021	0,1	EL	EL	EL	EL	EL	EL								0,0 %		
Acquisition and ownership of buildings	7.7	3.405	0,2 %	EL	EL	EL	EL	EL	EL								0,8 %		
Professional services related to the energy efficiency of buildings	9.3	2.048	0,1 %	EL	EL	EL	EL	EL	EL								0,0 %		
Total A.2		**1.192.771**	**76,6 %**														**79,4 %**		
Total A.1 + A.2		**1.523.557**	**97,8 %**														96,3 %		
B. Ineligible activities according to the taxonomy																			
Turnover from activities not eligible according to taxonomy		**34.232**	**2,2 %**														**3,7 %**		
Total A + B		**1.557.789**	**100,0 %**														**100,0 %**		

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FINANCIAL YEAR 2024 OPEX[4]	YEAR 2024			SUBSTANTIAL CONTRIBUTION CRITERIA						CRITERIA FOR LACK OF MATERIAL INJURY									
ECONOMIC ACTIVITY (FIGURES EXPRESSED IN THOUSANDS OF EUROS)	CODES	OPEX (THOUSANDS OF EUROS)	OPEX RATIO	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	CONTAMINATION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM GUARANTEES	PROPORTION OF OPEX THAT COMPLIES WITH TAXONOMY 2023	CATEGORY (FACILITATING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE																			
A.1 Turnover from environmentally sustainable activities (conforming to the taxonomy)																			
Electricity generation photovoltaic technology (construction or operation)	4.1	-	-	-	-	-	-	-	-	S	S	S	S	S	S	S	0,74 %		
Infrastructure for rail transport	6.14	2	0,04 %	2	-	-	-	-	-	S	S	S	S	S	S	S	0,00 %		
Construction of new buildings	7.1	3	0,06 %	1,5	1,5	-	-	-	-	S	S	S	S	S	S	S	0,18 %		
Renovation of existing buildings	7.2	1	0,02 %	1	-	-	-	-	-	S	S	S	S	S	S	S	0,1		
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings.	7.5	-	-	-	-	-	-	-	-	S	S	S	S	S	S	S	18,2 %		
Total A.1		**6**	**0,11 %**	**0,09%**	**0,03%**	**-**	**-**	**-**	**-**								**19,2 %**		
Of which: facilitators		**2**	**0,04 %**	**0,04%**	**-**	**-**	**-**	**-**	**-**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**-**	**F**	
Of which: transitional		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**-**		**T**
A.2 Turnover from taxonomically eligible, but not environmentally sustainable activities																			
Electricity generation photovoltaic technology (construction or operation)	4.1	241	4,6 %	EL	EL	EL	EL	EL	EL								8,2 %		
Infrastructure for rail transport	6.14	178	3,4 %	EL	EL	EL	EL	EL	EL								0,5 %		
Infrastructure enabling low-carbon road transport and public transport	6.15	79	1,5 %	EL	EL	EL	EL	EL	EL								1,5 %		
Construction of new buildings	7.1	827	15,8 %	EL	EL	EL	EL	EL	EL								10,4 %		
Renovation of existing buildings	7.2	21	0,4 %	EL	EL	EL	EL	EL	EL								0,4		
Acquisition and ownership of buildings	7.7	2.677	51,0 %	EL	EL	EL	EL	EL	EL								27,5 %		
Total A.2		**4.023**	**76,7 %**														**48,5 %**		
Total A.1 + A.2		**4.029**	**76,8 %**														67,6 %		
B. Ineligible activities according to the taxonomy																			
Turnover from activities not eligible according to taxonomy		**1.217**	**23,2 %**														**32,4 %**		
Total A + B		**5.246**	**100,0 %**														**100,0 %**		

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FINANCIAL YEAR 2024[4] CAPEX	YEAR 2024			SUBSTANTIAL CONTRIBUTION CRITERIA						CRITERIA FOR LACK OF MATERIAL INJURY									
ECONOMIC ACTIVITY (FIGURES EXPRESSED IN THOUSANDS OF EUROS)	CODES	CAPEX (THOUSANDS OF EUROS)	CAPEX RATIO	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	POLLUTION	CIRCULAR ECONOMY	BIODIVERSITY	CLIMATE CHANGE MITIGATION	CLIMATE CHANGE ADAPTATION	WATER	CONTAMINATION	CIRCULAR ECONOMY	BIODIVERSITY	MINIMUM GUARANTEES	PROPORTION OF CAPEX THAT COMPLIES WITH TAXONOMY 2023	CATEGORY (FACILITATING ACTIVITY)	CATEGORY (TRANSITIONAL ACTIVITY)
A. ELIGIBLE ACTIVITIES ACCORDING TO THE																			
A.1 Turnover from environmentally sustainable activities (conforming to the taxonomy)																			
Electricity generation photovoltaic technology (construction or operation)	4.1	10	1,4 %	5	5	-	-	-	-	S	S	S	S	S	S	S	0,3 %		
Construction, extension and operation of water collection, treatment and distribution systems.	5.1	5	0,7 %	-	5	-	-	-	-	S	S	S	S	S	S	S	0,0 %		
Infrastructure for rail transport	6.14	1	0,1 %	1	-	-	-	-	-	S	S	S	S	S	S	S	0,0 %		
Construction of new buildings	7.1	9	1,2 %	4,5	4,5	-	-	-	-	S	S	S	S	S	S	S	0,8 %		
Renovation of existing buildings	7.2	2	0,3 %	1	1	-	-	-	-	S	S	S	S	S	S	S	0,1 %		
Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings.	7.5	1	0,1 %	1	-	-	-	-	-	S	S	S	S	S	S	S	8,8 %		
Total A.1		**28**	**3,9 %**	**1,7 %**	**2,1 %**	**-**	**-**	**-**	**-**								**9,9 %**		
Of which: facilitators		**1**	**0,1 %**	**0,1 %**	**-**	**-**	**-**	**-**	**-**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**0,0 %**	**F**	
Of which: transitional		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**S**	**S**	**S**	**S**	**S**	**S**	**S**	**-**		**T**
A.2 Turnover from taxonomically eligible, but not environmentally sustainable activities																			
Electricity generation photovoltaic technology (construction or operation)	4.1	7	1,0 %	EL	EL	EL	EL	EL	EL								0,8 %		
Infrastructure for rail transport	6.14	20	2,8 %	EL	EL	EL	EL	EL	EL								0,2 %		
Infrastructure enabling low-carbon road transport and public transport	6.15	177	24,5 %	EL	EL	EL	EL	EL	EL								3,4 %		
Construction of new buildings	7.1	165	22,8 %	EL	EL	EL	EL	EL	EL								3,1 %		
Renovation of existing buildings	7.2	101	14,0 %	EL	EL	EL	EL	EL	EL								0,5 %		
Acquisition and ownership of buildings	7.7	103	14,2 %	EL	EL	EL	EL	EL	EL								1,1 %		
Total A.2		**573**	**79,3 %**														**9,0 %**		
Total A.1 + A.2		**601**	83,1 %														18,9 %		
B. Ineligible activities according to the taxonomy																			
Turnover from activities not eligible according to taxonomy		**122**	**16,9 %**														**81,1 %**		
Total A + B		**723**	**100 %**														**100 %**		

[4] In order to eliminate double counting, in the case of activities falling under several substantial contribution criteria, the volume of revenue/CAPEX/OPEX has been apportioned in proportion to their contribution.

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ENVIRONMENTAL INFORMATION

2.2.
Climate Change (E1)

2.2.1. Governance

a. Integrating sustainability-related performance into incentive schemes

CSRD - ESRS 2- GOV-3

As reflected in point 1.1.2.c) "Integration of performance related to sustainability in incentive schemes", Grupo SANJOSE establishes an annual variable remuneration scheme for executive directors, calculated based on the fulfilment of certain objectives, mainly economic, financial, and strategic. However, in 2024, no climate change targets are included in the remuneration scheme.

2.2.2. Strategy

a. Climate change mitigation transition plan

CSRD - E1-1/// Law 11/2015 - Climate Change - Reduction measures and targets

Grupo SANJOSE is in the process of drawing up its transition plan for climate change mitigation, which is currently under internal review and approval and will be developed throughout the year 2025. The plan establishes a general framework for action with preliminary greenhouse gas (GHG) emission reduction targets, actions aimed at the progressive decarbonisation of its operations and a roadmap for aligning its activities with the requirements of the Paris Agreement and European sustainability standards.

The central goal of the plan is to achieve a significant reduction of Scope 1, 2 and 3 emissions through the implementation of measures such as the progressive electrification of the vehicle fleet, the use of electricity with a Guarantee of Renewable Origin and the optimisation of manufacturing processes through the use of more sustainable materials and efficient energies.

The plan is structured in such a way that its implementation is progressive and coordinated with the Group's overall strategy and financial planning. To this end, priority investments in energy transition, operational efficiency and sustainable mobility projects will be considered. The allocation of resources and specific financing will be detailed once the review and approval process has been completed, which is expected to take place next year. For the time being, Grupo SANJOSE maintains its commitment to continue evaluating and monitoring its emissions through precise indicators and periodic reports, guaranteeing transparency in the progress towards the proposed objectives.

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b. Material issues, risks and opportunities and their interaction with the strategy and business model

CSRD - ESRS 2- SBM-3

During the 2024 financial year, Grupo SANJOSE has carried out the analysis of physical and transitional climate risks detailed in point 2.3.1 IRO-1. Identification of risks and opportunities. This analysis has been carried out for all of the Group's activities, including the commercial, consulting, and agricultural and livestock companies, with the objective of determining the resilience of the business model in the context of climate change.

The results of the analysis imply that Grupo SANJOSE's model does not contemplate critical climate-related risks. As a result of its commitment to climate change, the Group assumes responsibility for the possible impacts derived from the development of works and services. In addition, it promotes measures that allow it to take advantage of the opportunities of a context of transition towards a low-carbon economy:

- Energy saving and efficiency measures, including the opportunity to generate solutions for customers or own installations.
- Promotion of renewable energy generation. The Group owns and operates a 5.4 MW photovoltaic plant in Jaén (Spain), as well as a polygeneration plant for electric power, cooling and heat that operates under concession.
- Study and implementation of environmental proposals to clients to improve the resilience of buildings to the expected effects of climate change.
- Extensive experience in building to the world's leading sustainability standards (LEED / USA, BREEAM / UK, PASSIVHAUS / Germany, VERDE / Spain, etc.).

2.2.3. Incident, risk and opportunity management

a. Description of the processes for identifying and assessing material climate-related impacts, risks and opportunities

CSRD - ESRS 2- IRO-1

Grupo SANJOSE is aware of the impact that its operations and activities have on the generation of greenhouse gases (GHG) and, consequently, on climate change. On the one hand, direct emissions come mainly from fuel consumption in vehicles, equipment, and machinery under the Group's control.

On the other hand, indirect emissions linked to the value chain include those generated by suppliers and subcontractors during the production and delivery of contracted goods and services, as well as business travel and employee commuting. These emissions represent a significant part of the Group's carbon footprint, underlining the need for a holistic approach to managing climate impacts beyond direct operations.

Aware of this reality, Grupo SANJOSE has implemented a firm commitment to sustainability , systematically measuring and managing the sources of emissions to reduce its carbon footprint. Furthermore, Grupo SANJOSE recognises climate change as a global challenge that directly impacts operations and the value chain. It has therefore adopted a robust methodological framework, following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), to identify, assess and manage climate-related physical and transitional risks. This framework will be implemented by 2025 in the planning and development of the Group's operations.

The scope of the analysis includes all of Grupo SANJOSE's facilities and its different business

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areas, including construction, energy, concessions and services, real estate management, and other minority activities in the agricultural sector. The analysis has focused mainly on Spain, where 80% of the Group's turnover is produced, and has also been extended to other countries with a significant presence of fixed installations.

In the area of **physical risks**, the analysis was based on the IPCC (Intergovernmental Panel on Climate Change) climate scenario RCP 8.5, which represents a high emissions scenario. This approach has enabled the identification of climate hazards such as floods, heat waves, droughts and extreme storms, which could affect both own operations and the value chain.

Through this analysis, the Group has carried out a detailed assessment of the risks identified, enabling the risks to be categorised into low, medium and critical levels. This assessment process combines three fundamental parameters:

- Probability of occurrence: The expected frequency of an extreme weather event at each time horizon is calculated and classified into levels ranging from remote to very likely.
- Exposure: This measures the percentage of assets, infrastructure or areas of activity that could be at risk due to their location in vulnerable areas.
- Vulnerability: The capacity of affected systems to respond to climate change impacts is assessed.

From this combination, Grupo SANJOSE calculates the residual risk using the formula: Residual risk = Probability of occurrence with negative damage * Vulnerability. No physical risks relevant to the Group's activity have been identified.

On the other hand, regarding **transition risks**, Grupo SANJOSE has adopted the NZE (Net Zero Emissions) scenario of the International Energy Agency (IEA) as a reference, consistent with limiting global warming to 1.5 ℃.

Key transition risks include the tightening of regulatory requirements, the costs associated with adopting low-carbon technologies, and changes in market demands towards more sustainable projects. However, these transitions also present opportunities, such as growth in demand for sustainable infrastructure, cost optimisation through energy efficiency and the use of renewable energy, positioning the company as a key player in green construction.

To address these risks and opportunities, Grupo SANJOSE uses a climate scenario analysis that considers short (2030), medium (2040) and long term time horizons (2050). In the short term, the focus is on identifying immediate vulnerabilities and adapting to regulatory changes. In the medium term, priority is given to the integration of sustainable technologies and process optimisation, while in the long term, a full transition to a model aligned with low-emission climate scenarios is projected, strengthening operational resilience and ensuring competitiveness in a market that is increasingly oriented towards sustainability. This approach allows Grupo SANJOSE to strategically advance in its commitment to the fight against climate change and in building a resilient business model aligned with global sustainability goals.

Grupo SANJOSE also evaluates risks using advanced tools that consider the exposure, vulnerability, and probability of occurrence of climate events, as well as their potential financial impact. These analyses are captured, for example, in heat maps that facilitate the visualisation of the most critical risks, allowing the Group to focus its resources on effective and timely mitigation strategies.

b. Policies related to climate change mitigation and adaptation

CSRD - E1-2 // Law 11/2018 - Policies

Grupo SANJOSE has adopted a specific policy aimed at managing the material impacts, risks and opportunities related to climate change mitigation and adaptation. This policy is part of the strategic commitment to sustainability and seeks to align operations with the global objectives of the fight against climate change, in line with applicable international standards.

The key content of the policy focuses on the prevention and mitigation of climate impacts, with an emphasis on energy efficiency and the reduction of greenhouse gas (GHG) emissions. Grupo SANJOSE promotes actions to optimise energy consumption in its operations and projects, as well as the progressive adoption of practices that facilitate the adaptation of its activities to the risks arising from climate change. The scope of these policies covers the entire organisation, with no specific exclusions. The Chief Executive Officer is ultimately responsible for their implementation.

c. Actions and resources in relation to climate change policies

CSRD - E1-3/// Law 11/2018 - Climate Change - Measures

Grupo SANJOSE develops its climate initiatives within a certified management framework, aligned with the ISO 14001 international standard for environmental management. This certification guarantees the implementation of structured and effective practices for the identification, control and reduction of environmental impacts, including greenhouse gas emissions. In this context, the Group is in the process of drawing up a transition plan, which will consolidate and extend current actions, setting specific emission reduction targets in the short, medium and long term. This plan will enable the implementation of a roadmap aligned with international commitments and the Group's sustainability strategy.

The main initiatives adopted include the calculation and control of its Carbon Footprint by obtaining CO_2 compliance certificates, aligned with international standards such as the GHG Protocol. In 2024, the three scopes of the carbon footprint were measured for the Group's entire activity. As part of this commitment, measurement and data collection methodologies have been established to identify and quantify emissions on an annual basis. In addition, the emissions of the Group's main companies have been registered on official platforms, such as the Carbon Footprint Register of the Ministry for Ecological Transition and the Demographic Challenge.

In the field of energy efficiency (Law 11/2018 - Energy Efficiency), Grupo SANJOSE annually implements key measures, such as the replacement of conventional lighting systems with energy-efficient technologies, such as LED, both in offices and on construction sites. In addition, the purchase of 100% renewable energy with a guarantee of origin is promoted, thus reducing indirect emissions from electricity consumption. In addition to these actions, we are optimising the operation of air conditioning equipment.

The Group has developed its own know-how in the field of energy efficiency, which has been successfully implemented in numerous projects. This methodology is complemented by the numerous accreditations, approvals and certifications obtained by both the Group's companies and its professionals, which guarantees the fulfilment of objectives with the highest quality.

Energy efficiency accreditations, approvals and certifications

- Energy Service Provider according to RD 56/2016 of 12 February 2016, registered in the List of Energy Service Providers of the IDAE, Registration numbers: 2016-01152-E, 2016-01153-E and 2016-01154-E.
- Energy Services Company according to the UNE 216701 standard. PSE-2016/0030.
- Energy management system implemented according to ISO 50001.
    - Constructora San José, S.A. GE-2013/0010-002/1.
    - Tecnocontrol Servicios, S.A. GE-2013/0010-001/1.
- Professional installer and maintainer licences.

In turn, Grupo SANJOSE is a member of the board of directors of prestigious associations in the field of energy efficiency and renewable energies, such as AMI or ADHAC, and collaborates with public and private entities in the dissemination and development of the same.

Grupo SANJOSE researches and develops sustainable energy solutions capable of reducing primary energy consumption and optimising the use of clean energy through the use of the most innovative technologies.

Another relevant measure is the promotion of electric mobility, with the incorporation of electric and hybrid vehicles in the fleet and the installation of recharging points in central offices, contributing to the decarbonisation of internal transport. Likewise, an approach has been developed for the recovery of excavated natural materials, avoiding unnecessary transfers and promoting sustainable practices in the works.

At the operational level, the Group has established environmental control measures in its works and services. These include the protection of powdery material, surface wetting and preventive maintenance of machinery to minimise emissions and other environmental impacts. Optimised working hours and efficient, environmentally friendly night-time lighting systems have also been implemented.

In terms of climate change adaptation, Grupo SANJOSE works on integrated environmental proposals for clients, aimed at improving the energy resilience of buildings in the face of the effects of climate change. These include the promotion of renewable energies, the integration of vegetation in projects and efficient waste management. In addition, we actively raise awareness among staff involved in operations, fostering a culture of energy efficiency and environmental responsibility.

These action plans do not require operating expenditure (OPEX) or CAPEX investments, which exceed the financial significance thresholds, and therefore the amount of financial resources allocated in the year or in the future for this purpose is not disclosed.

2.2.4. Parameters and targets

a. Targets related to climate change mitigation and adaptation

CSRD - E1-4

As mentioned in section 2.2.2. Strategy of this report, Grupo SANJOSE is in the process of developing its transition plan for climate change mitigation, which will include the emission reduction targets for Scopes 1, 2, and 3.

Currently, Grupo SANJOSE measures the effectiveness of the actions implemented in terms of energy efficiency within the framework of the Environmental Management System certified under the ISO 14001 standard, as well as the Energy Management System implemented under the ISO 50001 standard. The Group establishes action plans designed for each work centre or facility with specific objectives, defined deadlines, allocated resources and concrete measures.

b. Energy consumption and mix

CSRD - E1-5 //

Grupo SANJOSE has not established a base year and reduction targets since the transition plan is currently being reviewed and approved. Therefore, information regarding the base year and emission reduction percentages is not provided. When available, comparative information is provided for the year 2023.

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Table 23. Energy consumption and mix[5]

CSRD - E1-5-31 // Law 11/2018 - Direct and indirect energy consumption and renewable energy use

Fuel consumption by source	2023 (MwH)	2024 (MwH)	Difference (%)
Fossil Sources	**87.029**	**110.965**	**28 %**
Coal and coal by-products	-	0	-
Crude oil and petroleum products	-	28.050	-
Natural gas	-	72.221	-
Other fossil sources	-		-
Electricity, heat, steam and refrigeration purchased or procured from fossil sources	-	10.694	-
Consumption of nuclear sources	-	-	-
Consumption of fuel from nuclear sources	-	-	-
Consumption of renewable sources	**2.966**	**5.888**	**99 %**
Fuel consumption by renewable source, such as biomass (includes industrial and municipal waste of biological origin, biogas, green hydrogen, etc.)	-	-	-
Consumption of electricity, heat, steam and cooling purchased or procured from renewable sources	2.966	5.888	-
Consumption of self-generated renewable energy that is not used as a fuel	-	-	-
Total energy consumption	**89.995**	**116.853**	**30 %**
Share of fossil sources in total consumption (%)	97 %	95 %	-
Share of nuclear sources in total consumption (%)	0 %	0 %	-
Share of renewable sources in total consumption (%)	3 %	5 %	-

Table 24. Energy intensity

CSRD - E1-5-50, 43

Energy intensity per net income	Base year	2024	Difference (%)
Total energy consumption by net revenue (MWh/thousand euros	-	0,075	-

Table 25. Electricity production 2024

CSRD - E1-5-14

[5] No disaggregated information available for high impact sectors.

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Grupo SANJOSE produces energy through its activities in the El Gallo photovoltaic plant and the ST-4 polygeneration plant.

Type	2024 (Kwh)
Electricity supplied (El Gallo and ST-4)	31.349.949
Heat supplied (ST-4)	3.445.690
Cold supplied (ST-4)	22.006.030

Table 26. Indicators related to material risks (E1-9)
CSRD - E1-9

Assets located in regions susceptible to material climatic hazards	2024
Monetary amount (€) and proportion of assets in areas at physical or material transition risk, acute or chronic	0

c. Scope 1, 2 and 3 gross GHG emissions and total GHG emissions
CSRD - E1-6 // Law 11/2018 - Climate Change - GHG Emissions

In 2024 Grupo SANJOSE has improved the methodology for calculating its carbon footprint in order to reduce the uncertainties associated with the estimates. In addition, Scope 3 has been integrated, so the results of the year are not comparable with those of 2023. The methodology and sources for the calculation can be found in Annex 3.

Figure 4. Distribution of gross GHG emissions (Scope 1, 2 and 3)

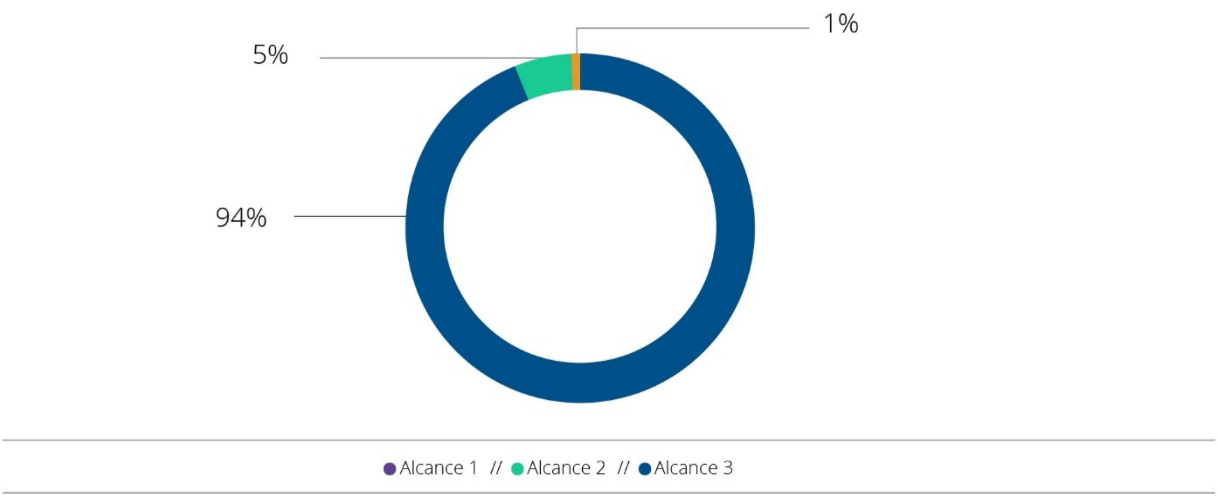

Table 27. Gross (Scope 1, 2 and 3) and total GHG emissions
CSRD - E1-6-44-52 // Law 11/2018 - Climate Change - GHG Emissions

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	Retrospective			Milestones and target years[6]			
Greenhouse Gas Emissions (GHGs	**2023 (tCO_2e)**	**2024 (tCO_2e)**	**Difference (%)**	**2025**	**2030**	**2050**	**Target % per annum**
Scope 1 emissions							
Scope 1 gross GHG emissions (tCO_2eq)	18.283	20.091	-	N/A	N/A	N/A	N/A
Percentage of Scope 1 emissions from regulated emissions trading schemes (%)	-	0 %	-				
Scope 2 emissions							
Location-based gross Scope 2 GHG emissions (tCO_2eq)	-	3.273	N/A	N/A	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions (tCO_2eq)	5.290	2.961	N/A	N/A	N/A	N/A	N/A
Scope 3 emissions							
Total gross indirect GHG emissions (Scope 3) (tCO_2eq)	-	369.205	N/A	N/A	N/A	N/A	N/A
1. Goods and services purchased	-	350.020	-				
Capital goods	-	1.110	-				
3. Fuel and energy activities (not covered by Scope 1 or 2)	-	4.933	-				
4. Upstream transport and distribution	-	N/A	-				
5. Waste generated from operations	-	9.194	-				
6. Business travel	-	713	-				
7. Pendulum swing of wage earners	-	3.048	-				
8. Assets leased in previous phases	-	187	-				
9. Transport and distribution	-	N/A	-				
10. Transformation of products sold	-	N/A	-				
11. Use of products sold	-	N/A	-				
12. End-of-life treatment of sold products	-	N/A	-				
13. Downstream leased assets	-	N/A	-				
14. Franchises	-	N/A	-				
15. Investments	-	N/A	-				
Total GHG emissions (market-based) (tCO_2eq)[7]	NA	392.257	-	N/A	NA	NA	NA

Table 28. Emission intensity

CSRD - E1-6

GHG intensity per net income	**Base year**	**2024**	**Difference (%)**
Total GHG emissions (market-based) per net revenue (tCO_2eq/ thousands of euros)		0,25	-

[6] Grupo SANJOSE is in the process of validating and revising its climate transition plan and emission reduction targets, so no information on targets is currently published.

[7] For the total emissions, Scope 2 emissions have been integrated according to the market methodology as they are considered more accurate.

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ENVIRONMENTAL INFORMATION

2.3. Pollution (E2)

2.3.1. Incident, risk and opportunity management

a. Description of processes to identify and assess material impacts, risks and opportunities related to pollution

CSRD - ESRS 2 - IRO-1

Information on the process for identifying and assessing material impacts, risks and opportunities has been developed in aggregate in chapter 1.1.4. of this report.

During the preparation of the dual materiality analysis, the Group's main activities, the locations of its operations and the sourcing of raw materials were taken into account.

b. Pollution-related policies

CSRD - E2-1 // Law 11/2018 - Policies

Grupo SANJOSE has established a Quality and Environment Policy that reflects its commitment to environmental protection and sustainability. This policy, approved by Senior Management, is implemented in all Group activities, including those carried out by third parties, and is based on the international standards ISO 9001:2015 and ISO 14001:2015.

Its main objective is to minimise the environmental impact of the Group's activities, ensuring continuous improvement and compliance with applicable regulations. The policy establishes measures to prevent negative impacts, prevent and mitigate pollution in different areas, promote the sustainable use of resources and continuously improve environmental performance in all the organisation's operations.

This commitment extends to all levels of the company and activities carried out by its staff and collaborators. The Chief Executive Officer and the Environment Department are responsible for its implementation.

The Environmental Policy integrates the interests of stakeholders based on the analysis of regulations, recognised standards and suggestions received in the listening boxes. It also encourages employee participation through training and awareness programmes, ensuring that everyone involved in the Group's operations adopts responsible practices.

Grupo SANJOSE makes its policy available to interested parties, especially Grupo SANJOSE's business partners who are committed to following its principles and commitments.

On pollution, the policy sets out measures including responsible landfill management, emission reduction, improved use of natural resources and energy efficiency.

In terms of impact and risk management, Grupo SANJOSE implements specific environmental procedures in accordance with ISO 14001 to identify and control potential impacts. These procedures cover aspects such as air, water and soil pollution, as well as the generation and proper handling of waste. They also include mechanisms for managing environmental incidents or emergencies, such as rapid response protocols and preventive measures.

c. Pollution-related actions and remedies

CSRD - E2-2 // Law 11/2018 - Pollution - Measures

Grupo SANJOSE has developed a set of actions and resources to manage the environmental impacts related to pollution in its construction projects. In the result of the Dual Materiality analysis, air pollution is the area in which the Group's activity exceeds the materiality thresholds. However, the approach includes specific measures to prevent and mitigate negative effects on air, water and soil, as well as actions aimed at restoring affected areas where necessary.

During the financial year 2024, there were no pollution incidents requiring corrective actions to be taken.

Grupo SANJOSE measures the effectiveness of these actions based on compliance with environmental objectives aligned with the ISO 14001 standard for managing and reducing pollution. These objectives, which are multi-year in nature, are developed based on the significant environmental aspects identified in the work centres and are accompanied by defined deadlines, assigned resources and specific measures for each facility.

Some of the main actions implemented by the Group on an annual basis to avoid potential pollution incidents are as follows:

Table 29. Main pollution measures

Atmospheric pollution	Water pollution	Soil contamination
- Installation of irrigation systems on roads and earthmoving areas to reduce dust emission. - Use of approved machinery that minimises emissions of polluting gases. - Implementation of preventive maintenance programmes to optimise equipment efficiency. - Time restrictions and environmentally friendly lighting systems to reduce noise and light pollution.	- Drainage and wastewater treatment systems that prevent chemical and sediment contamination. - Promotion of efficient water use through rainwater harvesting and recirculation in internal processes, contributing to the conservation of water sources near the works. -	- Use of erosion control barriers and impermeable platforms for storage of materials, preventing infiltration of pollutants. - Where activities affect soil conditions, remedial actions such as reforestation and rehabilitation of impacted areas are included.

In addition, in accordance with the ISO 14001 standard, Grupo SANJOSE establishes operational control over significant environmental aspects and impacts at both fixed and temporary sites, ensuring that they are managed effectively at all stages of the projects. Specific environmental procedures are implemented to control pollution from dumping, waste, atmospheric emissions, and the use of raw materials and natural resources.

In projects that require it, the most relevant environmental impacts are identified through Environmental Impact Statements or equivalent figures, in compliance with the country's legal framework.

Where necessary, environmental impact studies are translated into specific Environmental Monitoring Plans that allow for the implementation of preventive, corrective and compensatory measures. Likewise, the substitution of materials foreseen in the projects for more sustainable, recyclable and biodegradable alternatives is encouraged, promoting a circular economy approach.

The planning of these actions is carried out for each installation according to the needs of the project through the environmental control plans, which are the responsibility of the technical management.

In the event of significant environmental incidents or those requiring insurance coverage, these are passed on to the area delegate and the insurance department for processing. More complex incidents, which may require reporting to the management bodies, are dealt with in the weekly meetings held by the various offices of Grupo SANJOSE.

These action plans do not require operating expenditure (OPEX) or investments in fixed assets, which exceed the thresholds of financial significance, and therefore the amount of financial resources allocated in the year or in the future for this purpose is not disclosed.

Finally, GRUPO SANJOSE has taken out an Environmental Liability Insurance Program for an amount of 20 million euros and an excess of 100,000 euros with coverage for several countries, with a local policy issued in Portugal for a lesser amount and in Cape Verde. The Group's General Liability policy also includes coverage for damage to third parties due to accidental pollution, which reinforces the protection offered in this area by the Environmental Liability policy.

In addition, Grupo SANJOSE personnel receive continuous training in good environmental practices and drills are carried out to guarantee the capacity to respond to critical situations.

2.3.2. Parameters and targets

a. Pollution-related targets

CSRD - E2-3

The action plans designed for each work centre or facility within the framework of the Environmental Management System aligned with the ISO 14001 standard establish specific objectives, defined deadlines, allocated resources and concrete measures. However, Grupo SANJOSE has not established pollution targets to support its Environmental policy.

The effectiveness of the actions carried out is monitored on the basis of the environmental control plans, which are periodically reviewed to ensure that they are adapted to the specifications of each project, as well as to the client's requirements. The technical management of the project is responsible for ensuring compliance and monitoring.

The planning and monitoring of these actions are supported by a rigorous process of internal and external audits. These audits are carried out at fixed sites, such as offices, and temporary sites, such as works and services, enabling verification of the proper planning, monitoring and control of activities in line with the Group's environmental strategy.

b. Air pollution

CSRD - E2-4

The characteristics of Grupo SANJOSE's activity require that impacts related to atmospheric pollution, such as noise or light pollution, be taken into consideration. As part of the actions aimed at preventing and reducing these sources of pollution and taking into account the conditioning factors of the environment and/or project, operational control measures are established for works and services.

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Table 30. Volume of pollutants emitted to each of the media (air, water, soil)

CSRD - E2-4, 27, 30

Emission Sources	Carbon dioxide (t Co2)	Methane (t CH4)	Oxide Nitros (t N20)
Fixed sources			
Diesel A	728,5	2,9	1,8
Diesel B	835,8	3,2	1,9
Diesel C	6,40	0,02	0,01
PROPANE GAS	179,3	0	0,03
NATURAL GAS	13.098	32,1	0
GASOLEO B10	33,6	0,1	0,08
Mobile sources			
ADBLUE	2,03	0	0
GASOLEO A	3.582,4	0,76	40,9
GASOHOL PREMIUN	1,49	0	0,02
Diesel B	1.055,5	0,23	12
GASOLINE 87	8,31	0,03	0,02
GASOLINE 91	3,53	0,01	0,01
GASOLINE 93	1,30	0,01	0
GASOLINE 95	308,9	1,19	0,8
GASOLINE 98	20,4	0,08	0,06
LPG (AUTOGAS)	37,8	0,13	0,09
GASOLEO B10	88,1	0,00	1,06
TOTAL	**19.991,4**	**40,83**	**58,81**

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ENVIRONMENTAL INFORMATION

2.4. Biodiversity and Ecosystems (E4)

2.4.1. Strategy

a. Biodiversity and Ecosystem Transition Plan and Review

CSRD - E4-1

Grupo SANJOSE maintains a firm commitment to the conservation of biodiversity and the responsible use of natural heritage during the development of work in construction and services. The Group is aware that its activities, especially construction, have a potential impact on biodiversity. Likewise, ecosystem services favour this activity through services that facilitate its execution.

During the materiality assessment conducted in the 2024 financial year, the ecosystem services on which Grupo SANJOSE's activity depends have been explored in order to establish the resilience of the business model to changes related to biodiversity and ecosystems.

Following the ENCORE (Exploring Natural Capital Opportunities, Risk and Exposure) tool, it has been established that the most relevant ecosystem services for the following business lines. In the case of real estate, no relevant dependencies are identified.

SANJOSE CONSTRUCTORA

Building and civil works is the most relevant activity for Grupo SANJOSE. Although there are ecosystem services with high or medium materiality (according to the ENCORE methodology), no risks or opportunities have been identified that exceed the materiality thresholds.

- The availability of water necessary the execution of the works.
- The regulation of climate and rainfall patterns to minimise exposure to adverse weather events.
- Natural soil erosion control, which facilitates soil stability essential for the work.

SANJOSE ENERGÍA Y MEDIO AMBIENTE

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Grupo SANJOSE has a Polygeneration Plant for Cold and Heat, which manages photovoltaic plants. Electricity production facilities, especially solar ones, depend on ecosystem services such as temperature regulation, control of rainfall patterns or protection against adverse weather phenomena.

SANJOSE CONCESIONES Y SERVICIOS

The Concessions and Services business mainly includes activity related to infrastructure maintenance contracts, urban cleaning services and maintenance of gardens and other green areas. The latter activity is particularly affected by its dependence on ecosystem services such as water availability, pollination and temperature regulation.

This analysis exercise has determined that there are no risks or opportunities related to biodiversity and ecosystems for Grupo SANJOSE's strategy and business model.

This information is a first step in the review of biodiversity and ecosystems and the future development of a transition plan aligned with international frameworks and in line with planetary boundaries.

b. Impacts, risks and opportunities related to biodiversity and ecosystems

CSRD - ESRS-2 - SBM-3

Grupo SANJOSE maintains a rigorous approach to identifying and assessing the actual and potential impacts on biodiversity and ecosystems arising from its operations and value chain.

Construction activity may involve changes in land and water use, which may have negative consequences for biodiversity such as the introduction of heavy machinery affecting soil quality, removal of vegetation, diversion of watercourses or alteration of coastlines. Potential pollution impacts (dumping or spills) may also result in negative impacts on ecosystems and species.

The characteristics of Grupo SANJOSE's activity, with a preponderance of building projects, most of which take place on previously developed land, make it possible to reduce these potential impacts. No material impacts have been identified in terms of land degradation, desertification, soil sealing, or endangered species.

Analysis of sites under the Group's operational control determines that the sites of the Group's own operations do not exceed materiality levels for biodiversity impacts

2.4.2. Incident, risk and opportunity management

a. Description of processes for identifying and assessing material impacts, risks and opportunities related to biodiversity and ecosystems

CSRD - ESRS-2 - IRO-1

The dual materiality analysis identified actual and potential impacts on biodiversity based on a number of criteria including:

- Proximity of the assets and operations under the control of Grupo SANJOSE to protected areas or areas of special relevance for fauna.
- Requirements from clients or administrations to prepare an Environmental Impact Statement for the projects developed.
- Raw materials used that could be linked to deforestation or biodiversity loss.
- Land degradation or change of land use

As indicated in section 2.3.1. of this document, the analysis was based on the identification of the dependencies of ecosystem services and systemic risks for Grupo SANJOSE's activity. No consultations with local communities were carried out for this exercise.

The analysis has not resulted in the identification of material biodiversity risks or opportunities, either physical or transitional. On the contrary, the impact of construction activity on the state of ecosystems is considered material. However, Grupo SANJOSE does not have sites located in biodiversity-sensitive areas, so this is a limited impact.

The result of the analysis has shown that the mitigation measures designed and implemented by the Group to date are sufficient to address biodiversity impacts. These measures are developed in section 2.4.2.c) of this document.

b. Policies related to biodiversity and ecosystems

CSRD - E4-2 // Law 11/2018 - Policies

Grupo SANJOSE reaffirms its commitment to the protection of biodiversity and ecosystems through responsible environmental management supported by the Quality and Environmental Policy, referred to in section 2.3.1.b) of this document.

Although the policy does not currently make explicit reference to specific biodiversity targets, work will be done to strengthen it to incorporate clear objectives including traceability of materials, sustainable management of resources and protection of critical habitats, especially in sensitive areas.

c. Actions and resources related to biodiversity and ecosystems

CSRD - E4-3/// Law 11/2015 - Biodiversity protection - measures

Grupo SANJOSE adapts its biodiversity conservation actions to the specific characteristics of each construction project, considering the natural environment, the scope of the interventions, and the applicable regulatory requirements. In projects where an Environmental Impact Statement (EIS) is required, more specific and detailed measures are applied, including monitoring, restoration, and compensation plans, while in other projects general prevention and mitigation measures are prioritised in line with regulatory standards and best practices.

In these cases, the Group implements a comprehensive approach to minimise impacts on biodiversity and restore ecosystems affected by its activities. This approach includes the prior identification of sensitive areas and protected species, the planning of preventive measures, and the implementation of environmental restoration strategies adapted to each project. These actions are framed in all phases of project development, from initial planning to post-implementation monitoring, ensuring the long-term sustainability of the intervened natural environments.

Among the main measures adopted is the identification and delimitation of critical habitats and endangered species, allowing operations to be designed to avoid these areas wherever possible. In cases where intervention is unavoidable, rescue and relocation activities are carried out for sensitive

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fauna and flora. These measures are complemented by the installation of adapted wildlife crossings to maintain ecological connectivity and mitigate the effects of habitat fragmentation caused by linear infrastructure such as roads or railways. These interventions not only minimise direct impacts, but also seek to ensure the ecological functionality of the affected area.

In terms of restoration, when necessary Grupo SANJOSE carries out reforestation in degraded areas using native plant species. These actions aim to rehabilitate damaged ecosystems, promote natural regeneration, and improve the resilience of the environment. For example, vegetation plantations are implemented on slopes and areas affected by earthworks to control erosion and provide refuge for local species. Also, compacted soils are rehabilitated and vegetation cover is established to encourage the gradual return of native biodiversity.

The action plan to protect biodiversity includes the installation of physical barriers and boundaries to prevent intrusion into sensitive areas during the works. In addition, alternative access routes and working areas have been designed to minimise the impact on habitats of high ecological value. In protected areas, such as those included in the Natura 2000 Network, specific plans are established that incorporate additional measures, such as the restoration of equivalent habitats to compensate for any unavoidable loss of biodiversity.

The implementation of these measures is reinforced by a continuous monitoring programme that evaluates the effectiveness of the actions taken. This monitoring includes specific indicators, such as the success of revegetation and the recovery of relocated species. The results are documented in regular reports, allowing areas for improvement to be identified and strategies to be adjusted where necessary. In addition, environmental audits are carried out to ensure that interventions meet regulatory standards and established conservation objectives.

(Law 11/2015 - Biodiversity protection - impacts caused)

In financial year 2024, it has not been necessary to implement relevant biodiversity offsets in the biodiversity action plans implemented. The implementation of biodiversity measures is integrated into the design of each project, depending on the conclusions of the Environmental Impact Statement. Therefore, the cost is transferred to the project developer, and there are no significant financial resources for Grupo SANJOSE.

2.4.3. Parameters and targets

a. Targets related to biodiversity and ecosystems

CSRD - E4-4

Grupo SANJOSE has not established biodiversity targets. The specific objectives of each project are developed in the design phase (upstream value chain) and are collected and implemented by Grupo SANJOSE, which ensures their correct execution through technical monitoring of the project.

b. Incidence parameters related to biodiversity and ecosystem change

CSRD - E4-5 // Law 11/2018 - Biodiversity Protection - Impacts Caused

In the 2024 financial year, the SAJOSE Group's actions have not required specific actions in protected areas or within the framework of the Environmental Impact Statement (EIS).

Construction activity involves changes in land use and landscape. However, the characteristics of the Group's business model limit these impacts due to:

- The high level of urbanisation in the countries where it operates (mainly Spain and Portugal).
- The high weight of building projects, which are planned on previously developed land (plots of land).

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- Strict restoration conditions set out in Environmental Impact Statements where this is necessary.

The activities of concessions and services, real estate development and electricity generation have not led to significant changes in land use in the last five years.

ENVIRONMENTAL INFORMATION

2.5. Circular Economy E5)

2.5.1. Incident, risk and opportunity management

a. Description of processes for identifying and assessing material impacts, risks and opportunities related to resource use and the circular economy

CSRD - ESRS-2 - IRO-1

Information regarding the process for identifying and assessing material impacts, risks and opportunities has been developed in aggregate in chapter 1.1.4. of this report.

The dual materiality analysis considered the Group's inputs and outputs of resources and waste management and sites, as well as its operations along the value chain.

b. Policies related to resource use and the circular economy

CSRD - E5-1 // Law 11/2018 - Policies

Grupo SANJOSE has a Quality and Environmental Policy integrated into its Management System, referred to in point 2.3.1.b) of this document.

This policy reflects senior management's commitment to reducing the use of resources, preventing pollution and continuously improving environmental performance. Priority is given to reducing the consumption of natural resources, promoting their sustainable use and energy optimisation. It also promotes the recovery and recycling of waste, fostering the circular economy within its operations.

This commitment established in Grupo SANJOSE's Quality and Environmental Policy allows it to address the impacts, risks and material opportunities related to waste management and recovery, the scarcity of raw materials or the increase in their cost.

c. Actions and resources related to resource use and circular economy policies

CSRD - E5-2 // Law 11/2018 - Circular economy and waste prevention and management - Measures

Grupo SANJOSE, in its commitment to the circular economy and the efficient management of resources, implements on an annual basis a series of measures aimed at optimising the sustainable use of materials, reducing waste generation and promoting the reuse and recycling of the resources used in its operations. The organisation's strategy focuses on adopting practices that favour the conservation of raw materials and minimise environmental impact, in line with the principles of efficiency and sustainability.

The organisation prioritises the responsible use of natural resources, selects materials that reduce the consumption of non-renewable raw materials and dependence on critical resources. It promotes the use of recycled and recyclable materials with a longer useful life, as well as construction solutions that facilitate their reuse or recycling at the end of the life cycle. In this way, the value of

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the resources used is optimised and the amount of waste generated on site is reduced.

The design of Grupo SANJOSE's operations integrates circular business practices, where durability and efficiency of materials play a key role. This includes measures such as the return of *pallets* and reusable packaging, the efficient management of surplus materials, and the planning of activities to reduce material waste. In addition, collaboration with suppliers who manufacture products from recycled, biodegradable or returnable materials is encouraged, thus helping to extend the useful life of resources.

To improve efficiency in the use of resources, Grupo SANJOSE implements concrete actions in the area of construction:

- Detailed space planning is carried out for each project, taking into account local circumstances, efficient selection of resources and optimisation of the use of materials.
- Priority is given to the reuse and recycling of construction elements, which minimises the use of new resources and reduces waste associated with the construction cycle.
- The organisation promotes industrialised building solutions and products with maintenance and deconstruction possibilities, facilitating their recycling at the end of their useful life.

In terms of waste management, the Group takes a proactive approach with specific measures, taking into account the waste hierarchy to minimise its impact:

Preventing waste generation:

- Optimisation of materials required for the execution of works, avoiding surpluses that generate waste (Construction).

Re-use:

- Preferential use of suppliers that produce recyclable or returnable products, such as pallets or biodegradable materials (Group).
- Planning of earthworks to minimise surpluses and enable their reuse on site (Construction).

Recycling and other forms of recovery:

- Separation of waste by typology and management by means of identified containers, facilitating recycling and recovery by authorised waste managers (Group).

Elimination

Grupo SANJOSE also constantly monitors the performance of its measures through a comprehensive monitoring and control system, which includes the execution of internal and external environmental audits, as well as the preparation of periodic reports. These audits not only assess the degree of implementation of strategies and practices related to efficient resource management and the circular economy, but also identify areas for improvement and opportunities to optimise processes. The resulting reports allow us to analyse key performance indicators such as material and energy efficiency, the rate of utilisation of recycled or reused materials and the progressive reduction of waste generated.

The Group's RDI (Innovation, Technological Development and Research) Policy establishes the principles of the circular economy as one of the pillars of technological development and the innovation system. This commitment has enabled the development of ambitious innovation projects in the field of circular economy, efficient use of resources and construction techniques. This information is available in point 3.4.2.d) of this report.

2.5.2. Parameters and targets

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a. Targets related to resource use and the circular economy

CSRD - E5-3

Grupo SANJOSE, in line with its commitment to the circular economy and the responsible management of resources, has set a target of recovering at least 75% of the construction and demolition waste (CDW) generated in its works and services during the period 2024-2025. This target is in line with the organisation's global strategy to minimise the environmental impact of its activities.

To achieve this objective, Grupo SANJOSE has defined a structured process that includes different stages such as: analysis of the estimated quantities of CDW, location and selection of authorised managers that optimise the process of recovery/management of the CDW, and monitoring of the waste managed and recovery percentages.

Performance against this target is monitored by means of certifications issued by the authorised valorisers/managers.

b. Resource input

CSRD - E5-4

In the 2024 financial year, Grupo SANJOSE has made the following main consumption of raw materials and energy for the development of its activity:

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Table 31. Main raw material consumption (tonnes) by region

CSRD - E5-4 // Law 11/2018 - Consumption of water and raw materials

Raw materials	Code	Asia	America	Africa	Europe	Total
Backfilling/ backfilling with fillers	301.1	0,0	49.946	0,0	2.738.018	**2.787.964**
Fluorinated gas	301.12	0,0	0,0	0,0	0,0	**0,0**
Fill/compensation fill with in-situ material	301.2	0,0	356	0,0	1.195.728	**1.196.084**
Concrete	301.3	0,0	26.652	991	1.286.201	**1.312.853**
Rolled steel	301.4	0,0	294,1	0,0	8.571	**8.865**
Corrugated Steel	301.5	0,0	543,5	45,5	38.672	**39.261**
Agglomerate	301.6	0,0	298	0,0	65.772	**66.070**
Natural stone	301.7	0,0	1.247,4	78,3	41.234	**42.560**
Glass	301.8	0,0	380	20	5.385	**5.785**
Wood	301.9	0,0	247,1	107,8	13.230	**13.586**
Consumption of water from municipal water supply	303.1	0,0	92.498	16.995	269.826	**379.319**
Water consumption from catchment	303.2	0,0	35.054	0,0	51.376	**86.430**

Table 32. Evolution of the main raw material consumption 2023-2024

Law 11/2018 - Consumption of water and raw materials

Raw materials	Code	2024	2023	Difference
Backfilling/ backfilling with filler	301.1	2.787.964	1.119.698	**149 %**
Fluorinated gas	301.12	0	0	**0 %**
Fill/compensation fill with in-situ material	301.2	1.196.084	2.902.326	**- 59 %**
Concrete	301.3	1.312.853	1.744.034	**- 25 %**
Rolled steel	301.4	8.865	9.580	**- 7,5 %**
Corrugated Steel	301.5	39.261	58.922	**- 33 %**
Agglomerate	301.6	66.070	62.492	**6 %**
Natural stone	301.7	42.560	43.397	**- 2 %**
Glass	301.8	5.785	3.370	**72 %**
Wood	301.9	13.586	5.500	**147 %**
Consumption of water from municipal water supply	303.1	379.319	347.268	**9 %**
Catchment water consumption	303.2	86.430	34.555	**150 %**

Figure 5. Evolution of concrete (m^3) and rebar consumption (kg)

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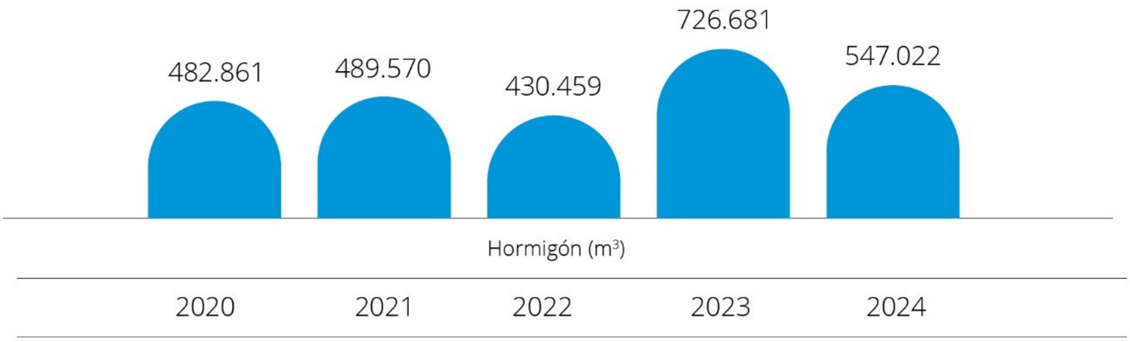

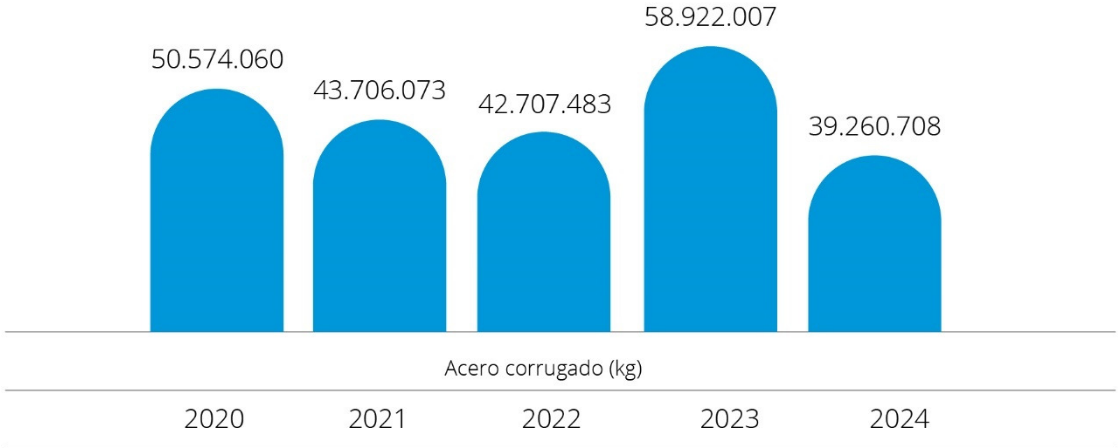

For the calculation of the referenced consumption, real data based on the development of the different projects implemented by Grupo SANJOSE are considered. To this end, the people in charge of each installation (site manager) complete an annual report at the end of the year in which they indicate the total consumption of each site. During 2024, the data was obtained on 30 September 2024; the information for the last quarter has been completed based on estimates made by the personnel in charge of implementation, based on the status and planning of the project.

Currently, the data collection systems do not allow for disaggregating consumption into biological and technical materials or by the sustainable origin of the raw materials used, so Grupo SANJOSE does not publish this information in compliance with the transitional provision for value chain information (ESRS 1-10-2). The Group's Purchasing Department is studying mechanisms to obtain this information in successive years.

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c. Waste management

CSRD -

The distribution of Grupo SANJOSE's waste was as follows:

Figure 6. Distribution of waste by typology 2024

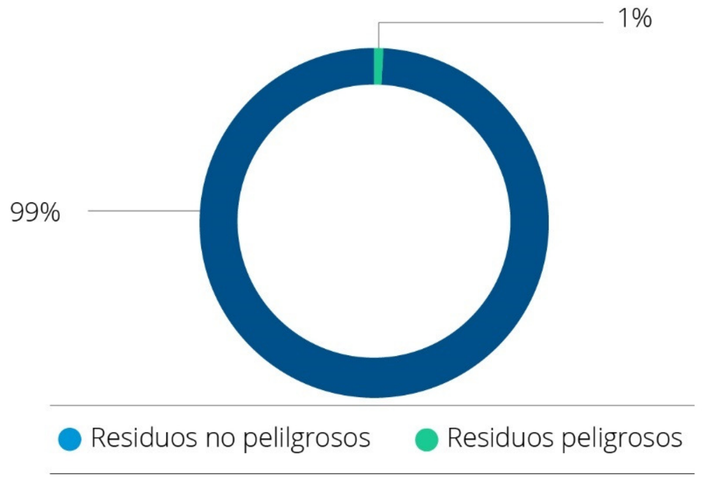


Figure 7. Evolution of waste by area of activity 2023-2024

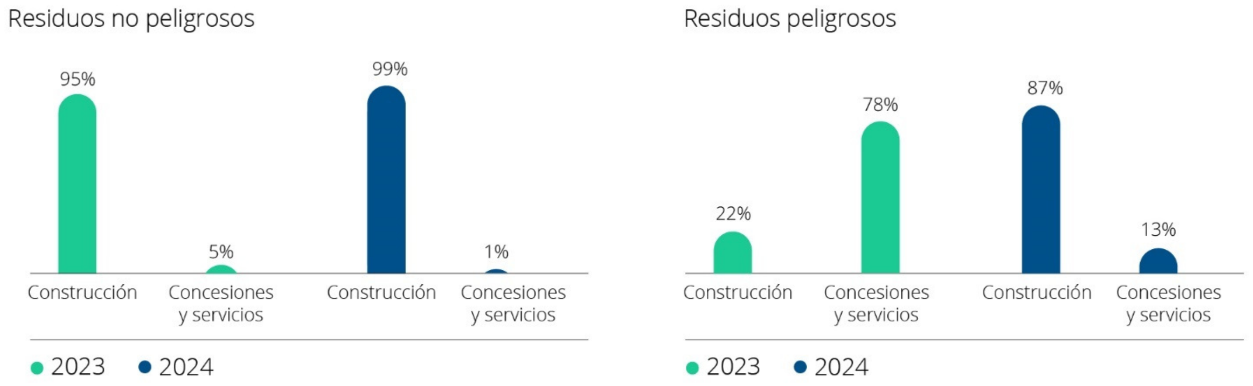
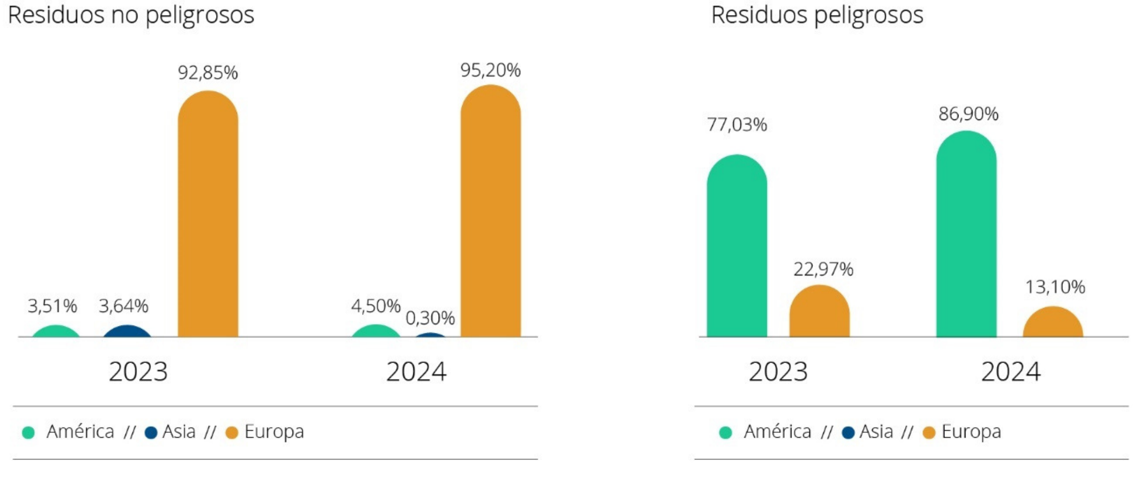


Figure 8. Evolution of waste by geographical area 2023-2024



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With regard to Non-Hazardous Waste, the distribution by typology and its evolution with respect to the previous year was as follows:

Figure 9. Distribution of Non-Hazardous Waste 2024

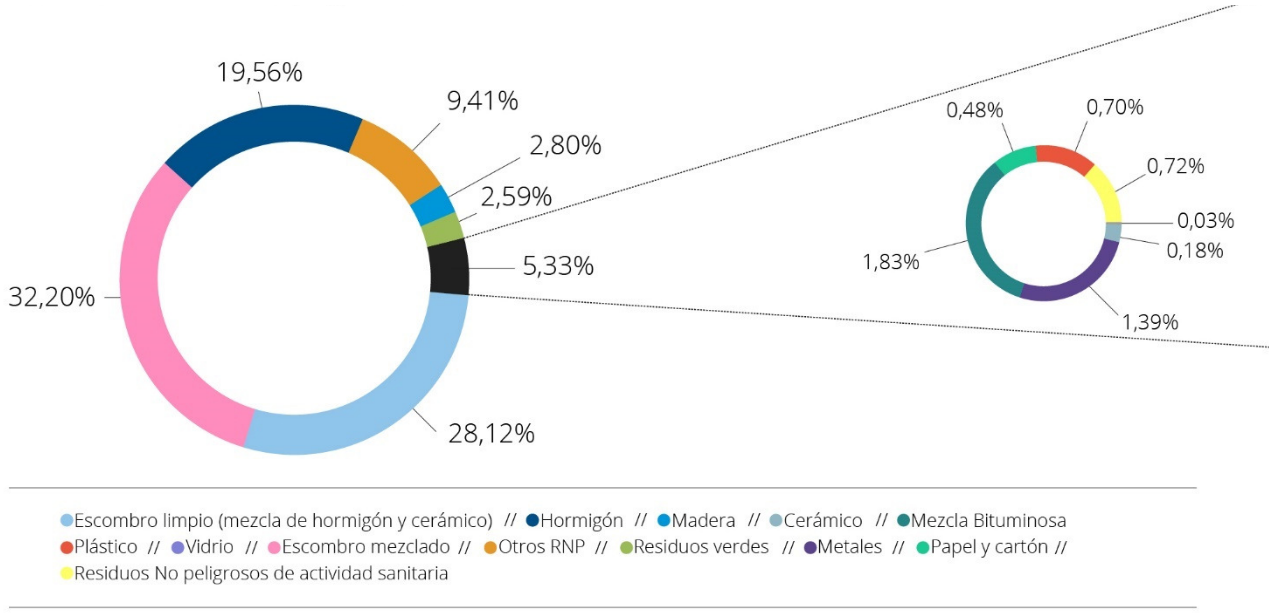
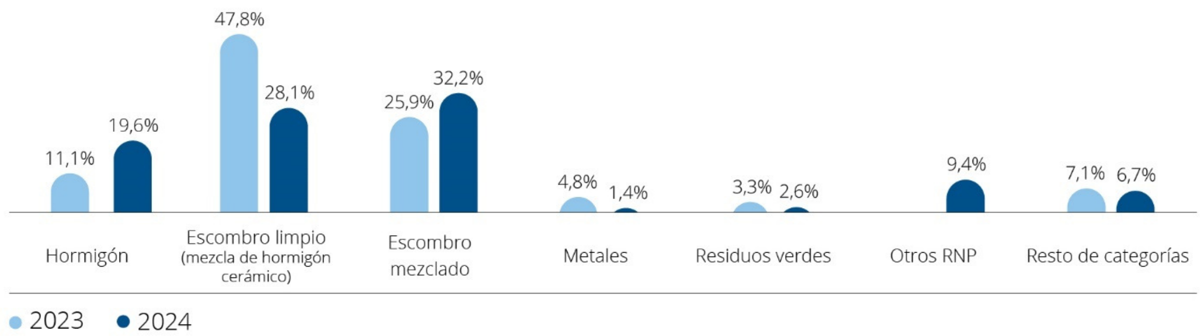


Figure 10. Annual Non-Hazardous Waste Comparison 2023-2024



The fluctuations in the ratios of waste generated over the periods analysed are mainly due to variations in the Group's portfolio of works and services, as well as to the type and phases of execution of certain works.

The Hazardous Waste generated in the financial year 2024 is distributed as follows:

Figure 11. Hazardous Waste Distribution 2024

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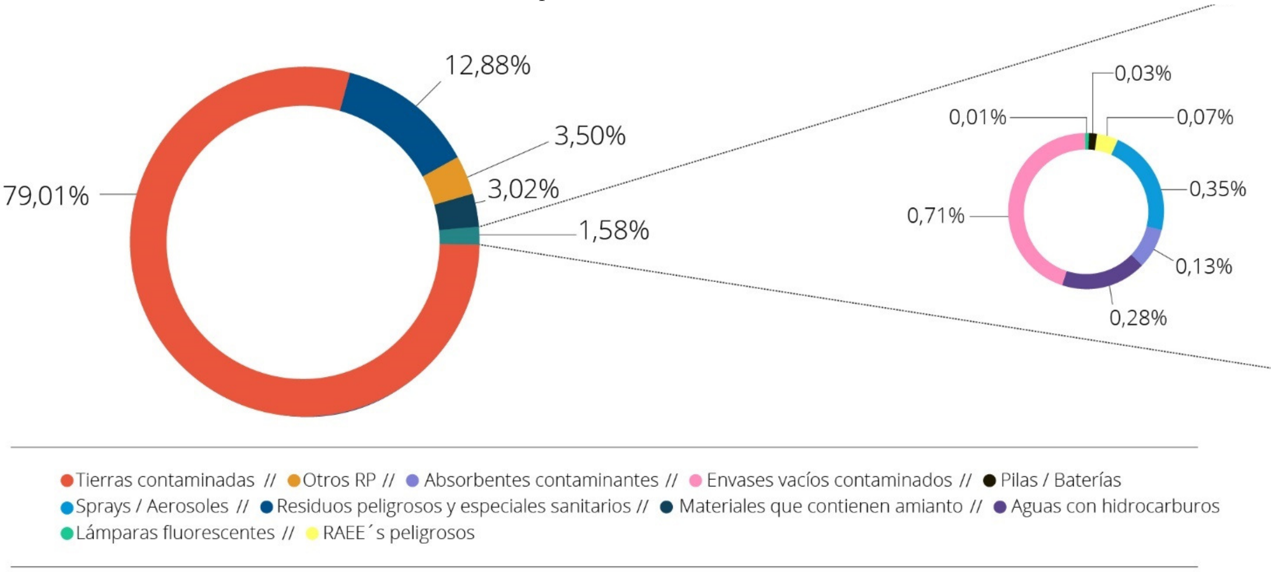
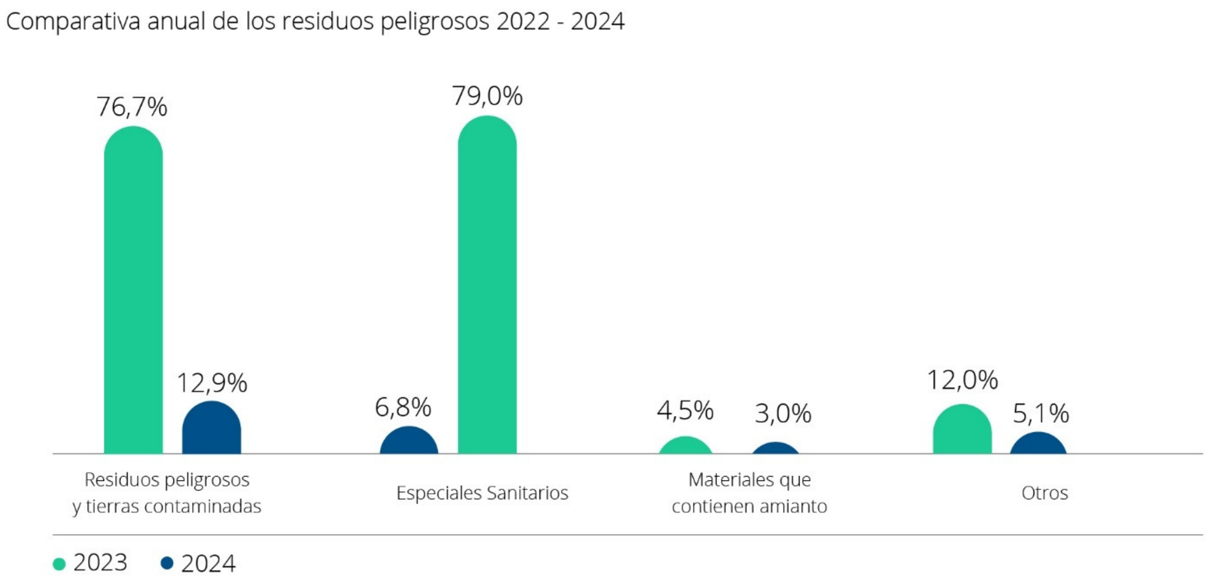


Figure 12. Annual Comparison of Hazardous Waste 2023-2024



Most of the mixed rubble is delivered to treatment plants where the waste undergoes segregation and recovery processes.

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Table 33. Tonnes of waste from own operations by type 2024

CSRD - E1-5-5,38 // Law 11/2018 - Sustainable Use of Resources

Waste	LER code	Quantity (Ton)	Weight of the typology
Non-Hazardous Waste			
Ceramic	170103	629	0,18 %
Mixed Rubble	170904	110.537	32,2 %
Concrete	170101	67.139	19,56 %
Wood	170201	9.627	2,80 %
Metals	170405	4.759	1,39 %
Bituminous Mixture	170302	6.281	1,83 %
Concrete and Ceramic Mixture	170107	96.535	28,12 %
Other RNP	N/A	32.310	9,41 %
Paper and Cardboard	200101	1.644	0,48 %
Plastic	170203	2.388	0,70 %
Non-Hazardous WEEE	160214	11	-
Green waste	200201	8.899	2,59 %
Non-hazardous waste from healthcare activities	N/A	2.456	0,72 %
Glass	170202	112	0,03 %
Toner	080318	0,06	-
Hazardous Waste			
Contaminated absorbents	150202	4,0	0,13 %
Contaminated oils	130206	0,1	-
Waters containing hydrocarbons	160708	8,6	0,28 %
Contaminated empty packaging	150110	22	0,71 %
Fluorescent lamps	200121	0,4	0,01 %
Asbestos-containing materials	170605	94	3,02 %
Other PR	N/A	108,9	3,5 %
Batteries	160601	1,1	0,04 %
Hazardous WEEE	160211	2,1	0,07 %
Hazardous and special wastes from healthcare activities	N/A	400,2	12,88 %
Sprays / Aerosols	150111	10,9	0,35 %
Contaminated land	170503	2.455,6	79,01 %

Waste from healthcare activities corresponds to concession contracts in hospital facilities, which include the management of the waste produced in these facilities.

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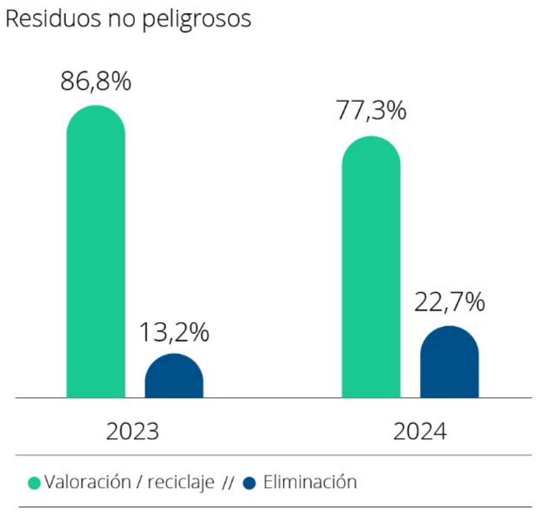
The above table excludes surplus earth and clean stones from excavation, which were reused in their entirety.

Table 34. Valued surplus earth and clean stones from excavations

Exercise	Volume generated (thousands of m^3)	Reuse (%)
2023	1.731,9	100 %
2024	1.059,1	100 %

Grupo SANJOSE properly manages all the waste generated in its operations through certified waste managers in order to prioritise its recovery. During the 2024 fiscal year, a slight decrease in the percentages of recovery and an increase in the proportion of Other RNP and contaminated soils out of the total waste is foreseen. This situation has arisen on an ad hoc basis due to the characteristics of a specific project carried out during the year. As these were exceptional and significant quantities of these types of waste, they affected the Group's valuation ratios.

Figure 13. Comparative of waste distribution and recovery 2023-2024



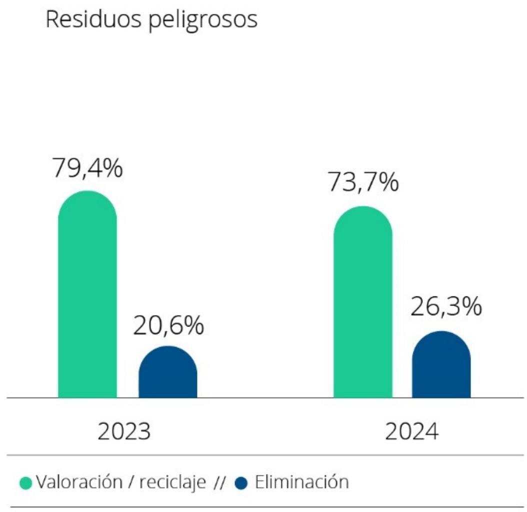


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Table 35. Final destination of the total amount (Tn) of waste from own operations excluding reuse[8]

CSRD - E1-5 -37, 38, 39 // Law 11/2018 - Sustainable use of resources

Destination	Not Dangerous		Dangerous	
	Total (tn)	%	Total	%
Total Valuation	265.517,9	77,34 %	116,5	73,67 %
Recycling	-	-	-	-
Other recovery operations	-	-	-	-
Total Elimination	77.809,5	22,66 %	41,6	26,33 %
Incineration	-	-	-	-
Landfill	-	-	-	-
Other disposal operations	-	-	-	-

The methodology used for the calculation of the referenced data is based on actual measurements of waste generation provided by those responsible for each project. When the year-end is prior to the end of the calendar year, an estimate is provided based on project planning.

The waste recovery percentages have been calculated on the basis of the ratios provided by the Spanish authorised waste managers, who have managed the majority of the waste volume. The information on hazardous waste by type of destination does not include sanitary waste, contaminated soil or materials containing asbestos.

[8] There is currently no information available to disaggregate the destination of recovered waste between recycled and other recovery operations, nor the destination of disposed waste between incineration and landfill. The most relevant reused waste is disclosed in table 34.

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03

Social information.

Own staff (S1) // Workers in the value chain (S2) // Affected groups (S3) // Consumers and end users (S4)

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SOCIAL INFORMATION

3.1. Own staff (S1)

3.1.1 Strategy

a. Impact, risks and opportunities in relation to own staff

CSRD - ESRS-2 - SBM-3

At Grupo SANJOSE there is a firm conviction that people are the central axis of the strategy and the driving force behind its success. The evaluation of Dual Materiality has made it possible to analyse how the Group's own employees can be negatively or positively impacted by the Group's activity. Impacts of the Group's activity on employees are identified in terms of working conditions, equal treatment and opportunities and other labour rights (adequate housing). These impacts are mainly due to the Group's business model, as they are linked to the characteristics of the labour sector in the activities in which it operates, such as: job stability, working conditions marked by collective bargaining, sectors of activity with a high male presence and difficulty in integrating profiles of people with disabilities or the need to relocate employees, which may entail the need for housing solutions.

The workers affected by these impacts are in all cases employees of the Group, since Grupo SANJOSE does not have a significant presence of non-salaried workers (contractors or temporary agency employees) in its workforce.

As for the negative impacts, these are impacts related to specific incidents in the case of exposure to occupational accidents and systemic impacts in terms of work-life balance and equal treatment and opportunities. No material impacts related to the Group's sustainable transition strategy have been identified.

The Group's main levers for driving positive impacts are based on team management focused on prioritising well-being, professional development and the creation of an inclusive environment, through specific actions and a culture based on responsibility, diversity and inclusion. This commitment to team talent and innovative solutions generates high added value, enabling us to meet customer expectations and maintain an appropriate level of competitiveness in the markets. The Group is convinced that investing in the development of its human resources means investing in leadership, innovation, growth and sustainability - in short, in the future.

SANJOSE's focus on people not only aims to enhance their development, but also to ensure safe and equitable working environments, essential in demanding sectors such as construction and engineering. Continuous training, key to reinforcing the technical and strategic capabilities of teams, not only drives innovation and competitiveness, but also helps to minimise potential skills gaps that may arise in an ever-changing global market. Furthermore, policies designed to balance work and personal life help maintain sustainable well-being, especially in complex projects where tight deadlines and high demands can pose additional challenges .

Similarly, SANJOSE places special emphasis on promoting diversity and inclusion, recognising that these initiatives not only favour cohesion and talent retention, but also mitigate challenges associated with staff turnover or the specific demands of international markets. This holistic approach ensures that teams can perform their roles with excellence, even in complex contexts. It also reinforces the Group's commitment to ethical and sustainable management that prioritises both business success and the well-being of its employees.

The management of Grupo SANJOSE is fully in line with the principles of the United Nations Global Compact and is based on solid ethical codes that guarantee equal opportunities, respect for human rights, and the promotion of environmental sustainability. Within this framework of commitment to integrity and respect for people, SANJOSE declares with conviction that it does not carry out activities with significant risks of forced, compulsory or child labour and that none of the Group's operations are carried out in regions with high exposure to these practices. This positioning consolidates the Group's commitment to human rights and ensures that its activities are aligned with the ethical and legal principles applicable in all the countries where it operates.

3.1.2 Management of impacts, risks and opportunities

a. Policies relating to own staff

CSRD - S1-1 // Law 11/2018 - Policies

The Group ensures that it has appropriate policies or procedures in place to cover the labour-related impacts, risks and opportunities that are considered material.

The Chief Executive Officer and the Human Resources Management are ultimately responsible for the implementation of the policies; where there is a specific delegation, this is reported together with the details of each policy.

General Human Resources Policy

Grupo SANJOSE bases its Human Resources policy on a structure of values and policies firmly aligned with international principles.

- **Objective and key content**: to ensure a working environment that respects and promotes the best working conditions, including: secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining and work-life balance.

- **Scope**: In the national companies there is no collective bargaining agreement in place or established. Labour relations are regulated by state or provincial collective bargaining agreements, negotiated and agreed upon by the trade union associations and business organisations corresponding to the activities carried out by each company in the group. At the international level, labor relations are subject to the laws of the countries where Grupo SANJOSE operates, and any particular issues that may arise are dealt with on an ad hoc basis.

Occupational Risk Prevention Policy

The Group has implemented a robust occupational risk management system regulated under its Occupational Risk Policy.

- **Objective and key content**: establishes the priority of workers' health and safety in all the Group's activities, which is considered higher than any other operational consideration. The key objectives of the policy include reducing the accident rate, complying with legal requirements and adapting preventive methods to technical progress. In addition, it seeks to provide safe and healthy working conditions, eliminate hazards and minimise risks, and ensure adequate training for employees.

- **Scope**: has a comprehensive scope and is mandatory for all Grupo SANJOSE personnel. In this way, the implementation of preventive activities is integrated at every level of the Group's structure, from operational positions to management, ensuring that risks are effectively managed at source.

- **Top management**: the CEO of Grupo SANJOSE, together with the Occupational Risk Prevention Department, ensures that management provides the necessary means and resources to support all preventive and training activities in the area of ORP. The health and safety of workers is a fundamental pillar of Grupo SANJOSE's strategy, managed independently by the Occupational Risk Prevention (ORP) area, which operates as a department with its own entity, separate from the Human Resources department. This department is responsible for ensuring the protection of the Group's own workers, members of the value chain, and other groups linked to the Group's activities.

- **Stakeholder engagement**: the policy encourages the participation of workers, ensuring their right to be informed, consulted and trained on all aspects of health and safety and considers the interests of stakeholders by incorporating channels for participation and consultation.

- **External standards**: the occupational risk management system is certified under international standards ISO 45001 and ISO 39001 for the following companies (see table 68): Constructora San José, S.A., Cartuja Inmobiliaria, S.A.U., EBA, S.L. and Tecnocontrol Servicios, S.A. In addition, the company San José Constructora Perú S.A. is certified under ISO 45001.

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Equality Policy

Non-discrimination and equal opportunities are key principles for Grupo SANJOSE, which establishes clear policies of equal treatment regardless of gender, race, religion or other personal conditions. Specifically, since 2010, it has had an Equality Policy that is based on the commitment to create and maintain an equitable working environment, where equal opportunities, non-discrimination, diversity and inclusion are core values.

- **Objective and key content**: this policy establishes equal treatment between women and men as a strategic principle in the management of its human resources, aligning with national legislation, such as Organic Law 3/2007 for the effective equality of women and men and Royal Decree-Law 6/2019, which reinforces equal treatment and opportunities in employment and occupation. The policy covers several key areas within the organisation, such as the selection and recruitment processes, which are developed under objective and transparent criteria, ensuring that merit and ability are valued exclusively, without discrimination based on gender or other personal characteristics. Furthermore, Grupo SANJOSE is committed to maintaining a harassment-free environment, implementing specific protocols to prevent and manage any incident of workplace or sexual harassment.

- **Scope**: this equality policy is applicable to all Grupo SANJOSE personnel, without exception.

- **Senior management**: its implementation is overseen by the Chief Executive Officer and Human Resources Management, who ensure that the necessary resources and means are allocated to meet the equality objectives. In this regard, senior management plays an active role in the continuous monitoring of this policy, thus fostering an inclusive and equitable organisational culture.

Personnel Selection Policy (Law 11/2018 - Policies against all types of discrimination)

In line with its commitment to equal opportunities, Grupo SANJOSE has established a Personnel Selection Policy that seeks to guarantee processes that actively promote diversity and inclusion, ensuring that all candidates have equal opportunities.

- **Objective and key content**: establishes the necessary guidelines to attract, evaluate and select diverse talent, aligning the selection process with the organisation's values of equity, fairness and inclusion. The key content of this policy includes steps designed to eliminate any bias and ensure objectivity in the assessment of candidates. From the initial application for staff by internal departments, through to the recruitment and assessment stages, transparency and a focus on competencies and skills are prioritised. The tools used, such as psycho-technical tests and structured interviews, ensure that decisions are made on the basis of objective criteria, promoting fairness at every stage of the process.

- **Scope**: covers all the organisation's own personnel selection processes, with emphasis on incorporating diverse profiles that enrich the work teams.

- **Ultimate responsibility**: The implementation and monitoring of this policy is the responsibility of the Human Resources Directorate, which acts as the guarantor of fairness in each process.

- **External standards**: the policy is backed by international standards and recognised regulations, such as ISO 9001 and UNE 166002 certifications, which promote quality and innovation in processes.

Training Policy (Law 11/2018 - Policies in the field of training)

Grupo SANJOSE has developed a Training Policy that aims to ensure the necessary competence of personnel in all key areas of the company, including those related to environmental performance

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and compliance with legal and regulatory requirements.

- **Objective and key content**: it establishes a framework for planning, implementing and evaluating training actions aimed at improving professional performance, in line with the organisation's strategic objectives. The key content of this policy is based on two main pillars: the planning of training and the evaluation of its effectiveness.

- **Scope**: covers all training actions aimed at ensuring the competence of staff working for the company.

- **Ultimate responsibility**: the implementation of this policy is the responsibility of Senior Management, which promotes the motivation and awareness of staff with regard to the correct performance of their duties. In turn, the Human Resources and Training Director plays a key role in establishing the qualification requirements, supervising the proposed training actions and approving the Annual Training Plan. The Training Manager manages the preparation, monitoring and updating of the plan, ensuring that training activities remain aligned with the needs detected.

- **External standards**: the policy is supported by international standards, such as ISO 50001, ISO 9001:2015 and ISO 14001:2015, which ensure the integration of good practice in competency management and environmental performance.

Evaluation Policy (Law 11/2018 - Policies in the field of training)

In line with its commitment to professional development, Grupo SANJOSE has implemented an Evaluation Policy.

- **Objective and key content**: The policy is intended to ensure an objective, structured and focused process for the development and continuous improvement of its professionals. This procedure is designed to identify strengths and areas for improvement in staff performance, encouraging their professional growth and optimising their contribution to the company's objectives.

- **Scope**: covers all structural personnel hired by the company, adapting to the specific needs of each person.

- **Ultimate responsibility**: The Human Resources Department leads the implementation of this policy, ensuring that each appraisal is carried out in accordance with the established procedures. This includes the distribution of evaluation models, the recording and analysis of results, and the communication of the decisions taken.

- **External standards**: the assessment policy is supported by international standards and audited under recognised standards such as ISO 9001, ISO 14001, ISO 19650, ISO 50001, and UNE 166002, which guarantees the quality, sustainability and integrity of the process. These standards ensure the alignment of the assessment procedure with the company's strategic and sustainability objectives.

The most significant policies are made available to all employees through the Group's online forum and in the welcome information, which is provided upon each new hire.

b. Processes for engaging with own employees and their representatives on incidents

CSRD - S1-2

The following information complements the information reported in section 1.1.3.b) "Stakeholders' interests and opinions (SBM-2)".

Grupo SANJOSE collaborates with its workers based on fluid dialogue with workers' representatives and compliance with sectoral and provincial labour agreements.

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To this end, it maintains regular communication with workers' representatives and the most representative trade unions, such as Comisiones Obreras (CCOO) and Unión General de Trabajadores (UGT). These interactions are aimed at ensuring the proper functioning of labour relations and ensuring an ideal working environment in all the Group's companies.

It also holds regular meetings with its own union representatives as well as with external unions. At these meetings, improvements are discussed, regulated and agreed, in addition to addressing shortcomings or complaints raised by employees. These meetings are held on a regular basis and can be requested by either party, thus ensuring fluid and proactive communication.

Personnel management is responsible for this collaborative process, as well as for measuring the effectiveness of the agreements reached.

For their part, employees engage in direct dialogue with the company through the channels mentioned in the following section.

c. Processes for redressing negative incidents and channels for own workers to voice their concerns

CSRD - S1-3

Negative impact repair

CSRD - S1-3- 32a

Grupo SANJOSE, aware of the risks associated with its activity, especially in the construction sector, has developed a robust approach to repairing negative incidents that may affect its personnel. This approach is based on a combination of insurance, action protocols and specific procedures that guarantee a rapid and effective response to any eventuality.

In exceptional situations, such as those that occurred during the recent DANA weather phenomenon that severely affected Valencia with heavy flooding, Grupo SANJOSE has reinforced its commitment to the well-being of its employees by implementing extraordinary measures. On this occasion, the Group allocated economic resources, vehicles to facilitate the mobility of those affected, and psychological care through the Human Resources department, once again demonstrating its responsiveness and sensitivity to the needs of its workers.

Currently, there is no collective conflict of any kind pending in any of the Grupo SANJOSE companies, and collaboration and coordination with all of the unions participating in the Organization is absolute. In 2024, a lawsuit filed by an employee was dismissed through an adversarial process. This case was notified through the internal channel established for these situations, demonstrating the Group's transparency in the management of labour incidents.

Monitoring channels and mechanisms

CSRD - S1-3-32b, c, d, e - S1-3-33

Grupo SANJOSE maintains dynamic communication with its employees through various channels of dialogue. In order to channel employees' labour concerns, the Group has established clear channels of communication through internal communications that are issued by senior management, union representatives, or the most representative external unions.

- Direct communication through the Human Resources representatives or the relationship with their superior, as well as through the suggestion boxes present in all work centres.
- Specific channels to ensure that employees express their concerns or needs directly via email, by telephone and on a personalised basis only when the issue requires it. In addition, specific email and telephone channels have been set up to address specific issues such as harassment, equality and other aspects related to safety and well-being at work.
- The Whistleblower Channel allows employees and third parties to report human rights

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violations or breaches of the Group's Code of Ethics.
- Suggestion box at all work centres, as well as a virtual suggestion box on the Group's website.
- In terms of prevention and action in the event of sexual and/or gender-based harassment, Grupo SANJOSE has an Action Protocol, which aims to establish guidelines for action to identify situations that could involve sexual harassment, gender-based harassment (Law 11/2018 - Prevention of Harassment).

Concerns are received and managed by staff assigned to the personnel department, ensuring a swift and appropriate response to the needs raised. These staff are responsible for measuring the effectiveness of the channels, ensuring that they are available to and known by all employees and that the necessary measures are activated for the resolution of concerns.

Communication channels are open to all Group employees, as well as to those who perform their duties at the Group's facilities. In the case of vulnerable employees, there are no specific channels. However, their concerns are addressed both directly and through their representatives.

d. Taking action on material incidents, risks and opportunities related to own staff, and the effectiveness of such actions

CSRD - S1-4

Below are the main actions carried out by Grupo SANJOSE to manage the material impacts, risks, and opportunities related to its own employees.

In order to facilitate the reading of this document, this disclosure requirement is presented together with the parameter information for each labour management topic.

Working conditions

Grupo SANJOSE recognizes that optimal working conditions are essential to ensure the well-being of the workforce and the sustainability of the business model. Thus, the Group has identified that in a competitive work environment, factors such as high turnover, absenteeism, and low job satisfaction can generate significant risks, such as a reduction in productivity, an increase in the costs associated with training and attracting talent, and the loss of key workers.

In this context, concrete actions have been implemented to ensure working conditions that foster stability and commitment of its workforce, addressing both current needs and opportunities to promote a more inclusive and efficient working environment.

These actions are implemented for employees in Spain, where 77% of the total workforce is present. In the rest of the countries, improvements are applied to the legislation in force with the aim of bringing the working conditions of the entire Group closer together.

Working time

Law 11/2018 - Organisation of working time and policies of disconnection from work

Grupo SANJOSE has made its working hours more flexible to adapt to the needs of its staff. Employees can choose their start time between 8:15 and 9:30, with departure between 17:30 and 19:00, depending on the time set aside for lunch, which varies between 45 minutes and 1 hour. This flexibility makes it possible to adjust the timetable to personal needs such as transport, school arrivals and departures, or family commitments. In exceptional cases, and always under production needs, schedules can be adapted outside these predefined time slots.

Since 2019, Grupo SANJOSE has implemented an electronic time control system in offices and construction sites, designed to ensure respect for the legal limits of working hours and prevent work overload. This system not only ensures respect for the legal limits, but also encourages disconnection from work and prevents burnout. During the COVID-19 pandemic, these policies were

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extended with rotations between teleworking and small face-to-face teams to minimise health risks and facilitate work-life balance in the face of the exceptional challenges at the time.

In order to ensure respect for the work time off, meetings are organised strictly within the established timetable, subject to exceptions arising from the nature of the activity and interaction with third parties.

Work-life balance

Law 11/2018 - Measures aimed at work-life balance

Grupo SANJOSE also promotes work-life balance through policies such as the option of teleworking one day a week (Monday or Friday), depending on production conditions and ensuring 50% attendance in the departments. These policies are complemented by economic measures, such as bonuses to cover the costs of nursery schools or care centres for dependent persons.

Table 36. Wage earners who take leave for family reasons

CSRD - S1-15

Sex	% of employees eligible for family-related leave	% of wage earners who took family leave
Man	100 %	4 %
Woman	100 %	6,1 %
Another	100 %	0 %
Not notified	100 %	0 %
Total number of employees	**100 %**	**4,3 %**

Living wage and welfare

CSRD - S1-10

Aware of the risks associated with retaining talent in a dynamic work environment, the Group implements remuneration policies and social benefits designed to enhance employee satisfaction and loyalty. These include meal vouchers, childcare and transportation, as well as medical insurance, offering employees tools to optimise their net income through tax-free compensation formulas. This approach contributes not only to improving employees' purchasing power, but also to strengthening their commitment to the organisation.

All Grupo SANJOSE employees receive a salary above the benchmark rates.

Collective bargaining

Law 11/2018 - Social dialogue

With regard to the sectoral collective agreements applicable in the company there are mainly four sectors concerned according to the following organisation:

- All construction companies govern their labour relations in accordance with the provisions of the various provincial collective agreements on construction, which, according to their own provisions, subsidiarily apply the general agreement for the construction sector. It should be borne in mind that, for various labour-related reasons, there are minor exceptions to these provincial construction agreements, so that, although 94.59% of the workers in these companies (2,240 employees) regulate their labour relations in accordance with the general agreement for the construction sector.240 workers) are governed by the aforementioned construction agreements, 4.69% of the workforce, i.e. 111 workers, are governed by the

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provisions of the collective agreement for the iron and steel industry, while a total of 12 workers (0.51%) are covered by the national collective agreement for the gardening industry.

- With regard to the existing Commercial Sector in the Organisation, the Collective Agreement for all the different companies that comprise it, except Outdoor King S.A., is the provincial-level Agreement for Textile Trade with 60 employees, which represents 95.24% of the total for the sector. The company Outdoor King carries out its activity under the provincial-level collective agreement for Wholesale and Retail Trade with 2 employees (3.17%) and the company Comercial Udra, within its workforce, has 1 employee in the Wholesale Collective Bargaining Agreement with 1.59%.
- In the Services Sector, all the companies and UTEs that make up the sector are governed by the State Collective Agreement for Gardening with 696 employees, 100% of the workforce.
- Finally, in the Industrial Sector, the predominant collective agreement is the Provincial Collective Agreement for the Iron and Steel Industry with 291 employees, applying in a supplementary manner the State Collective Agreement for Industry, New Technologies and Services in the Metal Sector. This figure represents 99.32% of the total sector. The only exceptions are the companies Enerxias Renovables de Galicia with 1 employee (0.34%), San José Energía y Medioambiente with 1 employee (0.34%) which are governed by the State Collective Bargaining Agreement for Engineering.

Table 37. Collective bargaining coverage

CSRD - S1-8-60,63 // Law 11/2018- Employees covered by collective bargaining agreement

	Collective bargaining coverage	Social dialogue
Coverage rate[9]	**Spain**	**Spain**
0 - 19%		
20 - 39%		
40 - 59%		
60 - 79%		65,23%
80 - 100%	99,85%	

Information on collective bargaining coverage and social dialogue is available for employees in Spain, where 3,415 employees (99.85% of the total workforce in this country) are covered by the corresponding collective bargaining agreements. In the rest of the countries, Grupo SANJOSE follows the different national regulations in force.

Health and safety

Law 11/2018 - Health and safety

Grupo SANJOSE recognizes that the health and safety of its workers is a fundamental priority, both because of its direct impact on people's well-being and because of its strategic relevance to ensure operational sustainability. Furthermore, in a sector such as construction, with high exposure to occupational hazards, the Group has adopted a comprehensive and structured approach to ensure the health and safety of its workers, addressing both prevention and mitigation and remediation of occupational hazards.

The Occupational Risk Prevention (ORP) area is an independent Human Resources department,

[9] In the rest of the countries, the current regulations are followed.

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with its own entity, which leads health and safety policies autonomously, ensuring the application of specific measures for the Group's employees in all the countries where it operates. This approach makes it possible to address specific actions and resources aimed at protecting people, while promoting a safe and healthy working environment.

Key actions implemented by PRL include:

- Periodic evaluation of occupational risks, which allows us to identify and classify the hazards in each project, and the preparation of specific health and safety plans for each project. These plans incorporate collective and individual preventive measures to reduce the associated risks, as well as monitoring mechanisms to ensure compliance.
- Regular medical check-ups, both annual and for new recruits, to detect possible work-related health problems.
- Training in prevention, with the aim of fostering a preventive culture that involves all levels of the organisation, regular training in occupational risk prevention is promoted, where workers are instructed on safety measures applicable to their activities and the proper use of tools and equipment, and information campaigns and awareness-raising talks are held.
- A culture of active participation in safety issues, offering employees the possibility to contribute directly to the identification of risks and the implementation of preventive measures. In this way, they are provided with specialised training and opportunities to play representative roles in occupational health and safety issues.

These initiatives are seen as an investment in the company's human capital, which not only improves the quality of work, but also reinforces SANJOSE's reputation as an employer that prioritises the well-being and professional development of its workforce.

In terms of organisational resources, the Group has a Joint Prevention Service in Spain for the companies Constructora San José, S.A., Cartuja Inmobiliaria, S.A.U., EBA and Tecnocontrol Servicios, S.A. certified in 2024 under the ISO 39001 Standard and since 2021 under the ISO 45001 Standard, previously since 2009 under the OHSAS 18001 Standard. This service covers preventive disciplines such as occupational safety, industrial hygiene, ergonomics and applied psychosociology. In addition, occupational medicine is managed by an external service, which is renewed on an annual basis. For the international subsidiaries, the preventive organisation is adapted to the local legislation of each country, ensuring an approach adapted to the different operating contexts.

Recognised for risk prevention response to heat situations

In line with the Group's commitment to worker safety in the face of the effects of climate change, in 2024 Cartuja was recognised for its excellent management of heat risk prevention, demonstrating that it is possible to implement effective measures even in high-impact environments. Awarded in the 2nd Edition of the Ibermutua "Eladio González Malmierca" ORP Awards in the category of "Best preventive practice in Small and Medium-sized Enterprises (SMEs)" for the "implementation of holistic measures to prevent the risk of exposure to high temperatures in a sector and geographical location with a high impact of this risk".

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Actions in the event of an incident

For its part, Grupo SANJOSE's Civil Liability policy ensures adequate coverage to cover damages derived from work-related accidents. The coverage extends to international operations, adapting to local requirements, and includes financial compensation and the necessary legal support for the Group's people affected by claims processes. This ensures that staff have the same level of protection and access to redress mechanisms, regardless of the country in which they operate, in compliance with the applicable collective agreements.

In the event of an incident, Grupo SANJOSE immediately activates the accident management protocols. At the individual level, the Group guarantees immediate medical attention, allowing affected workers to receive appropriate treatment in a timely manner. In addition, if circumstances so require, comprehensive support is provided to affected employees, including medical and psychological care, as well as a job retraining process to ensure that the employee can be reintegrated into a position in line with his or her current capabilities. These measures are complemented by the management of financial compensation provided for in the applicable policies and agreements.

Measures at the collective level include: the thorough investigation of incidents to identify the causes in order to implement corrective measures and prevent future accidents; the review of safety protocols to verify that occupational health and safety procedures are being followed at all times and modified if necessary; and the evaluation of the health and safety management system to identify possible deficiencies and improve its effectiveness.

Measuring the effectiveness of the measures put in place

On the other hand, Grupo SANJOSE implements a structured approach to evaluate and guarantee the effectiveness of the measures and compliance with the objectives related to the health and safety of workers, using key tools and indicators that make it possible to measure and continually improve the actions carried out, as well as to anticipate and detect possible negative impacts derived from them. These measures include compliance, accident rate and performance indicators. The former verify the correct application of health and safety procedures in the work centres through internal and external audits, while the latter, which include the analysis of accidents and occupational illnesses, are essential for identifying causes, assessing risks and designing preventive measures.

Likewise, worker satisfaction is monitored through the Prevention Delegates, who collect proposals for improvement, suggestions and complaints, and periodic reviews are carried out in the work centres to evaluate both safety conditions and the implementation of necessary improvements. These tools allow Grupo SANJOSE to prioritise resources towards critical areas, reducing incidents and strengthening occupational safety.

Health and safety parameters

CSRD - S1-14

In order to advance in its commitment to transparency and align this Sustainability Report with the requirements established by the CSRD, Grupo SANJOSE has revised the indicators and expanded the scope of the information on health and safety, incorporating all the companies in the scope of this document. Therefore, the information presented below is not comparable to that published in previous years.

Table 38. Health and safety

CSRD - S1-14-88.90 // Law 11/2018 - Absenteeism Hours

	Employees
Percentage of workers covered by the health and safety management system	100 %

Number of fatalities due to work-related injuries and health problems	1
Number of days lost due to accidents at work	4.452
Total hours of absenteeism (Law 11/2018)	895.237
Hours worked	6.199.691

Table 39. Accidents at work, in particular their frequency and severity, as well as occupational diseases; disaggregated by sex

CSRD - S1-14 // Law 11/2018 - Accidents, fees and occupational diseases

Gravity		Employees	
		Man	Woman
Number of accidents at work			
With low	In the workplace	147	8
	In itinere	15	6
No leave	In the workplace	136	4
	In itinere	9	4
Total Occupational accidents (S1-14 88)		**329**	
SEVERITY RATE[10]		0,72	
FREQUENCY RATE (Rate of work-related injuries)[10]		53,07	
Occupational diseases (S1-14)			
With low		0	0
No leave		0	0

Table 40. Evolution of OHS training

Years	No. of courses	No. of students	Training hours
2023	98	1.033	13.376
2024	83	1.583	11.080

Equality and diversity

At Grupo SANJOSE there is a firm desire to maintain an environment that facilitates and promotes equal opportunities, non-discrimination, diversity, and inclusion of professionals, committed to a people management model that is compatible with professional excellence and avoids any type of differentiation based on gender, race, religion, or other conditions.

[10] Grupo SANJOSE does not currently have this information disaggregated by sex. As part of the improvement of the reporting system, work will be done to improve the collection of information in order to be able to offer this data.

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Grupo SANJOSE understands that guaranteeing equal opportunities, diversity, and inclusion is not only an ethical pillar in its management model, but also represents a strategic necessity to mitigate risks and take advantage of opportunities within its work environment. The implementation of measures aimed at fostering an inclusive environment enables the Group to reduce internal tensions, increase employee satisfaction and prevent conflicts arising from possible pay inequalities or discrimination. At the same time, these initiatives generate tangible benefits such as improved productivity, a stronger organisational culture and the attraction of diverse talent, which boosts innovation and improves decision-making processes.

Diversity parameters

CSRD - S1-9 // Law 11/2018 - Equality

To define senior management, Grupo SANJOSE uses the criteria in its Corporate Governance Report.

Table 41. Number and % of senior management by gender

CSRD - S1-9-65a

Sex	Number of employees in senior management	% representation in senior management
Man	4	57 %
Woman	3	43 %
Another	0	0,00 %
Not notified	0	0,00 %
Total	7	100 %

Table 42. Number of employees by age range

CSRD - S1-9-65b // Law 11/2018 - Distribution of employees by age and country

Age	Total
< 30 years	533
30 - 50 years	2.430
> 50 years	1.450

Age	Spain	Portugal	United Arab Emirates	Chile	Peru	USA	Argentina	Mexico	Italy	India
< 30 years	346	41	23	65	2	0	3	52	1	0
30 - 50 years	1.821	146	125	255	38	4	7	23	5	6
> 50 years	1.253	76	11	92	6	4	3	0	3	2

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Proof of this commitment are the different Equality Plans and Policies which, since 2010 and in accordance with legislative changes, have been developed in different companies of the Group, and which have allowed improving the integration of the principle of equal treatment in priority areas of action such as "recruitment and hiring", "training and awareness", "promotion and professional development", "co-responsible exercise of reconciliation rights", "remuneration conditions", "prevention of harassment", "corporate image and communication" and "prevention of occupational risks", among others.

These plans and the associated protocols have been designed and negotiated specifically for implementation at the national level. However, the procedures, commitments, objectives, and measures included in the equality area have the potential to be adapted to the different companies that form part of Grupo SANJOSE. These adaptations are made with respect for the legal, cultural and operational particularities of each country, ensuring that the principles of equality are a common pillar in all our international operations.

In relation to the aforementioned matters, we highlight, among others, the following actions:

- Ensure equal treatment and opportunities in the area of selection and recruitment, ensuring that procedures are based on professional suitability and reflecting the Company's commitment to equal treatment and opportunities.
- Ensure a balanced presence of women and men in the workforce.
- Ensure access to training at all levels of the workforce, promoting actions that favour access to training.
- Information/awareness-raising actions on equal treatment and equal opportunities.
- To guarantee professional development in accordance with objective criteria, and always complying with the principle of equal treatment and opportunities.
- Ensure the co-responsible exercise of reconciliation rights.
- Ensure equal pay for work of equal value.
- Establishment of mechanisms for prevention and action in the event of harassment
- Ensuring corporate image and communication

With the aim of improving the balance between men and women in the workforce, an egalitarian selection process is being developed. During 2024, a total of 2,474 interviews were conducted in response to the 563 selection processes. Women accounted for 33% and men for 67%.

In terms of prevention and action against sexual and gender-based harassment, the Plan includes a detailed action protocol based on two fundamental aspects:

1. Prevention: Measures are put in place to prevent situations of sexual harassment or harassment based on sex, gender identity or sexual orientation. This includes specialised information on policies/protocols for action.
2. Action: An internal procedure is in place to ensure a rapid and effective response to complaints, providing protective measures for victims and sanctioning inappropriate behaviour.

Finally, Grupo SANJOSE is committed to supporting female workers who are victims of gender violence so that they are aware of and can exercise the rights recognised by law, as well as the improvements that exist in the Group. In line with this commitment, an action protocol has been established that includes:

- Raising staff awareness of the seriousness of gender-based violence.
- Access to specific protection measures and support for labour reintegration.
- Prioritisation in the hiring of women in this situation, promoting their autonomy and

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empowerment.

In the area of equality, in 2024, awareness-raising training actions were sent to 1,000 members of staff.

Measuring the effectiveness of the equality and diversity measures in place

In keeping with this framework of social commitment to equality and non-discrimination, Grupo SANJOSE has established internal control procedures to ensure compliance with these principles, as well as with the established objectives and actions for improvement. Therefore, an annual review of the indicators defined for each measure is carried out in order to evaluate the impact of each one of them. At least one annual report of conclusions is generated from the results of these reviews, which is submitted for review to the Equality Plan Monitoring and Evaluation Committee.

On the other hand, Grupo SANJOSE guarantees that the equality plans will be reviewed at in specific situations that require it, such as the detection of negative results in the periodic follow-ups or the lack of compliance with legal or regulatory standards. Reviews are also foreseen in cases of significant changes in the organisational structure or in the composition of the workforce, ensuring that working conditions and hiring policies are adjusted to the new contexts without causing harm to workers.

Employee participation

In order to draw up the different Equality Plans, a joint Negotiating Committee is set up between the Group, employee representatives and trade union representatives, guaranteeing the equal participation of all parties in the process of defining goals, monitoring results and continuous improvement.

In addition, through the Monitoring Committee, employees may express discrepancies or raise concerns about the Group's practices. This committee is responsible for analysing, resolving and, if necessary, incorporating such issues based on objective criteria, ensuring that any negative impact on the workforce is identified and managed swiftly and effectively.

Resources earmarked for equality and diversity actions

Law 11/2018 - Equality Plan

Finally, Grupo SANJOSE is committed to providing the means and resources, both material and human, necessary to carry out the correct implementation, monitoring, and evaluation of the different objectives and measures established in the Equality Plan. To this end, the following resources are made available to the Monitoring Committee and the different people in charge of the areas involved in the Equality Plan:

- The physical and telematic means necessary to hold the various meetings of the Commission (meeting rooms, audiovisual equipment, telematic platforms, office equipment, etc.).
- The time credit necessary for the RLPT Representation of the trade union organisations, as well as the Advisers who are part of the staff, to fulfil the functions set out in this Plan.
- The collaboration of internal staff from the different departments or areas involved in the Plan (training, selection, personnel, image and communication, etc.).
- The means necessary for the correct implementation of the action measures set out in the Plan.
- Material resources so that the staff can receive the different awareness-raising or training activities on equal opportunities, as well as any other contained in this Plan (communication channels for this purpose, training rooms, internal forum, training platform, teaching material, etc.).
- The collaboration of the staff member designated as the person responsible for Equality, in the promotion, supervision, coordination, monitoring and evaluation of the measures

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established in the Equality Plan.

Pay parameters (pay gap and total pay)

CSRD - S1-16 // Law 11/2018 - Gap and Remuneration

In Grupo SANJOSE there is a firm desire to promote effective equality between men and women in all areas to which the Group has access, including salary aspects, without neglecting the responsibilities inherent to each job.

In keeping with this aim, it is worth considering in this study the analysis of the so-called "Wage Gap", which has been defined by the European Commission as "the relative difference in the average gross income of women and men in the economy as a whole".

The salary structure in the Organisation arises from the different regulations established in the applicable collective bargaining agreements. In an attempt to show a generalised structure, although, as we have said, subject to variations depending on the different territorial or functional areas, the most common wage structure concepts are as follows:

- Basic Salary
- Attendance and activity bonuses
- Extras and Transport Allowances
- Voluntary allowances
- Extra pay
- Holidays

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Table 43. Gender Pay Gap

CSRD - S1-16-97a, 98 // Law 11/2018 -Wage Gap

<table>
<tr><th colspan="2"></th><th colspan="3">Average remuneration including fixed and variable salary (euro per hour)</th></tr>
<tr><th colspan="2"></th><th colspan="3">Spain</th></tr>
<tr><th colspan="2"></th><th>Men</th><th>Woman</th><th>Gap</th></tr>
<tr><td rowspan="7">Professional category</td><td>Directors</td><td>84,10</td><td>89,86</td><td>-6,85 %</td></tr>
<tr><td>Middle management</td><td>37,34</td><td>31,44</td><td>15,80 %</td></tr>
<tr><td>Administrative</td><td>18,01</td><td>16,65</td><td>7,54 %</td></tr>
<tr><td>Technicians</td><td>25,41</td><td>22,42</td><td>11,78 %</td></tr>
<tr><td>Managers[11]</td><td>25,71</td><td>15,07</td><td>41,40 %</td></tr>
<tr><td>Foremen</td><td>21,90</td><td>-</td><td>-</td></tr>
<tr><td>Operators</td><td>17,11</td><td>17,43</td><td>-1,87 %</td></tr>
<tr><td colspan="2">Total</td><td>21,98</td><td>21,09</td><td>4,07 %</td></tr>
</table>

The wage gap published in 2023 included only the fixed salary of employees in Spain, so it is not comparable with the one published in 2024. If we consider the pay gap in comparable terms, in 2024 the national gap is -3.19% (beneficial for women), compared to 2.52% (beneficial for men) in 2023.

[11] The women in the professional category "Foremen" are mostly from the commercial sector, while the men are from the construction sector, so the salaries are not comparable.

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Table 44. Average remuneration by gender, age and occupational classification

Law 11/2018 - Average remunerations

			Spain	
			Male (€)	**Female (€)**
Average remunerations	**Age**	< 30	29.280,97	28.943,40
		30-50	37.882,33	36.761,29
		> 50	40.255,20	49.218,64
	Professional category	Directors	145.997,26	156.000,00
		Middle management	64.824,54	54.579,99
		Administrative	31.265,93	28.907,80
		Technicians	44.116,96	38.919,09
		Managers	44.640,42	26.158,64
		Foremen	38.026,15	-
		Operators	29.700,19	30.254,63
	Total		**38.158,83**	**36.605,49**

Both the remuneration of the Board of Directors and the Group's Senior Management are included in the Corporate Governance Report and the Remuneration Report of the Board of Directors.

As for the wage gap between the highest paid person and the average for all employees, it is 26.55.

Staff with disabilities

Law 11/2018 - Persons with disabilities and universal accessibility

In order to promote the promotion of measures that help to put people with disabilities on an equal footing with those who do not, favouring an environment of space, atmosphere, etc., that does not entail any type of exclusion due to their disability, all the office facilities that allow it are adapted and fitted out in this respect with parking spaces, accesses, toilets, etc., complying with and improving the legal precept of November 2013 on the rights of people with disabilities and their social inclusion.

In the same way, the incorporation of people with any type of disability is actively promoted, as long as they adapt to the existing requirements in the different sectors of the Group. All of this is done through job offers that are open and freely accessible to all types of candidates, as well as equal internal promotion for the members of this group that form part of the workforce, with safety and comfort conditions prevailing.

In order to comply with Royal Decree 364/2005, of April 8, 2005, the Spanish companies of the SANJOSE Group have adopted various measures, including obtaining certificates of exceptionality, regulated by said Royal Decree. These certificates allow, under certain circumstances, companies with more than 50 workers to be exempt from the obligation to hire at least 2% of people with disabilities, as long as they compensate for this obligation through other legally established means.

- In this context, Tecnocontrol Servicios, S.A. obtained its certificate of exceptionality on 12 May 2022, valid for three years. At the time of the application, the company's computable

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workforce was 218 workers, which would have meant the obligation to hire 4 people with disabilities if this exceptionality had not been granted. Similarly, Cartuja Inmobiliaria received its certificate on 13 July 2022, also for a period of three years. In this case, with an eligible workforce of 57 workers, the company would have been obliged to hire a person with a disability if it did not have the aforementioned certificate.

- For its part, Constructora San José, S.A. obtained its certificate of exceptionality on 21 September 2023, also valid for three years. In this case, with an eligible workforce of 1,423 workers, the obligation would have been to hire a total of 28 people with disabilities, had the exceptionality not been applied.

During the corresponding period, these companies have complied with the alternative measures required by the regulations. These include entering into commercial contracts with authorized special employment centres, which makes it possible to compensate for the obligation to directly hire personnel with disabilities, as established by the Royal Decree. These actions ensure that Grupo SANJOSE acts in full compliance with current legislation on inclusion and accessibility in the workplace.

Table 45. Persons with disabilities in Spain

CSRD - S1-12, 79, 80 / Law 11/2018 Persons with

	No. of jobs			% of total employees		
	Man	**Woman**	**Total**	**Man**	**Woman**	**Total**
Direct recruitment: employees with disabilities	38	5	43	1,02 %	0,74 %	0,97 %
Employment generation by alternative measures	-	-	83	-	-	2,43 %

Training and talent management

Law 11/2018 - Policies in the area of training

Professional growth is the central axis and priority objective of Grupo SANJOSE, and is key to both the present and the future of the Group. For this reason, a comprehensive approach to professional development has been consolidated, based on three fundamental pillars: training, talent management programmes, and evaluation. This model makes it possible to effectively manage the impacts, risks and opportunities associated with personnel, recognising that continuous training and skills development are essential for employee growth, mitigating risks arising from a lack of qualified talent and capitalising on opportunities in a dynamic and constantly evolving labour market.

With respect to training, Grupo SANJOSE is committed to training that is accessible to the entire workforce and continuous over time. To this end, training plans are designed to meet the specific needs of each business area, responding both to technical demands and to regulatory and technological changes. The training plans include:

- Mandatory training: ensures that employees have the essential knowledge to operate in a safe and efficient environment, with special emphasis on safety, health, quality and the environment.
- Specific training: responds to technical and training needs detected in each business area,

designing training actions adapted to the operational requirements of the company.

- Training in Equality Policies: aimed at raising staff awareness of gender equality, diversity and prevention of harassment, in line with the company's Equality Plan.
- Legislative and Regulatory Changes: allows us to respond to legal changes, and the adaptation of procedures to new regulations in Risk and Insurance, Compliance.
- New technologies (BIM), languages and business management.

Training management is carried out through an operational procedure integrated into internal tools, which allows management to identify needs, prioritise them and translate them into sectorised and annual plans. In this way, these plans are dynamic, allowing them to be adapted to regulatory changes and market demands, which ensures that the training provided remains up to date and relevant. In addition, the PHAROS digital platform extends access to a catalogue of courses, both technical and related to cultural values, in Spanish, English and Portuguese, allowing employees and their immediate families to access continuous training free of charge.

In the area of training, the Group facilitates access to internal programmes that take place mostly during working hours. These include classroom, distance and blended learning, enabling employees to acquire new skills without significantly affecting their personal time.

On the other hand, talent management programmes are designed to foster the strategic development of the workforce in the long term, covering different stages of professional growth. Thus, talent management is structured in two key programmes, connected by a transversal emotional component: the transmission of values, principles and organisational culture among professionals, thus reinforcing their integration as fundamental parts of the business.

- For junior profiles, the Integration and Development Programme (IDP) plays a fundamental role, accompanying their incorporation and adaptation during the first two years of work. This programme combines technical training, mentoring and six-monthly evaluations, ensuring the effective integration and commitment of these employees to the company's values and objectives.
- The Consolidation Programme (CP) accompanies employees in their transition to higher levels of development, with options ranging from Optimum to Excellence, depending on their level of professional maturity.

In addition, the Management Development Programme, a performance appraisal procedure for structural staff with the objective of assessing the strengths and commitment of the teams, will be implemented.

In terms of impact, a total of 22,367 hours of training have been carried out during 2024, combining face-to-face and online modalities. This effort has benefited 1,309 men, who completed 16,528 hours, and 560 women, who completed 5,839 hours of training. This commitment demonstrates Grupo SANJOSE's ongoing commitment to the development of its human capital and the integration of training as a strategic tool to meet the challenges of the market.

On the other hand, a total of 11,080 hours of training have been carried out in the area of Occupational Risk Prevention. This training has been carried out by 1,325 men who completed a total of 9,866 hours and by 258 women who completed 1,215 hours of training.

Table 46. Financial resources allocated to training and professional development

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	Actual (€)		Short-, medium- and long-term provisioning[12]
	OpEx	CapEx	OpEx/CapEx
Training plans	490.261[13]	N/A	N/A
Talent Management Programmes (IDP and PoC)	1.524.975	N/A	N/A
TOTAL TRAINING	**2.015.236**	**N/A**	**N/A**
Integration and Development Programme (IDP)	411.345	N/A	N/A
Consolidation Programme (CP)	1.113.630	N/A	N/A

Finally, performance appraisal is an essential tool to ensure alignment between individual objectives and the organisation's strategic objectives. Through regular processes, skills, competencies and achievements are analysed, allowing areas for improvement to be identified and personalised plans to optimise performance to be designed.

The impact of these actions is measured through constant monitoring and the implementation of adjustments according to the results obtained. This approach not only contributes to improving individual performance, but also strengthens the cohesion and effectiveness of teams, thus consolidating the company's position in the market.

Training and capacity building parameters

CSRD - S1-13

Table 47. % of structural employees by sex who have carried out performance and professional development appraisals in Spain and Portugal

CSRD - S1-13-83a

	Man	Woman
Employees evaluated	345	152
Percentage of employees	22,46 %	26,67 %
Total number of employees	**1.536**	**570**
No. of evaluations per employee[14]	1 - 2	1 - 2
Percentage of revisions carried out over those agreed with management	100 %	100 %

Table 48. Total and average hours of training per employee, by gender and by occupational category

CSRD - S1-13, 83, 84 // Law 11/2018 - Training Hours

By gender and	Training hours

[12] At this stage, there are no relevant investments of resources at OpEx or CapEx level planned for the short, medium or long term. Investment will remain similar to the current year and will be adapted according to the growth of the workforce and the needs of the context.

[13] Training courses for all staff, including the Pharos tool and Occupational Risk Prevention and Compliance training.

[14] Depending on the employee's performance appraisal programme, annual or half-yearly reviews are carried out. Grupo San José carries out all agreed appraisals during the year

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professional category[15]	Man		Woman	
	Hours	Average per employee	Hours	Average per employee
Grupo SANJOSE Staff	26.394	10	7.054	9

Human and labour rights

Law 11/2018 - Human Rights

In this regard, the Group subscribes, for all its activities, to the 10 principles of the United Nations Global Compact, as well as to the standards of the Declaration of Human Rights, the International Labour Organization (ILO) Declaration on Labour Rights, and the OECD Guidelines for Multinational Companies. This means guaranteeing freedom of association, eliminating forced labour and child labour, and fully respecting the dignity and well-being of our employees in each country and region where we operate. In the area of child labour, the Group has developed a high standard to protect the youngest workers. Grupo San José raises the minimum working age to 18, above the 16 required in Spain.

To ensure compliance with these commitments, Grupo SANJOSE implements human rights due diligence mechanisms, including whistleblower channels and internal audit procedures. The Group also maintains open channels of communication with all of its stakeholders, including suppliers and clients, and provides training to its employees in human rights, ethics, and anti-corruption policies through internal platforms such as the Hal system and the corporate forum, where the Code of Conduct and all of the Group's policies are disseminated.

Serious human rights-related incidents, complaints and serious occurrences

CSRD - S1-17 // Law 11/2018 - Human Rights Complaints

In 2024, one complaint of harassment at work was received and judicially dismissed. No human rights incidents have been reported.

3.1.3. Parameters for own personnel

[15] Grupo SANJOSE does not have this information broken down by professional category, as in 2024 work has been done to reformulate the categories.

a. Goals related own staff

CSRD - S1-5

Grupo SANJOSE has not set specific goals in terms of working conditions (adequate wages, working time, collective bargaining and social dialogue) or training of talent. The commitment to its employees in these areas is managed through compliance with collective bargaining agreements or equivalent agreements and ongoing dialogue with workers' representatives.

The Health and Safety and Equality and Diversity targets are presented below:

Health and safety

Grupo SANJOSE, through the OHS management, establishes clear and measurable strategic objectives in the area of occupational health and safety with the aim of guaranteeing the well-being of its employees and strengthening its preventive culture. These objectives are aligned with the company's policies and are structured in specific timeframes that reflect short, medium and long-term goals.

Progress towards these targets is measured through key performance indicators (KPIs) related to occupational accidents . These include reported incidents, accidents occurring and accident rates. Monitoring of these indicators allows the effectiveness of measures to be assessed and adjustments to be made where necessary.

Table 49. Health and safety related targets

Time horizon	Targets
Short term	Increase information on occupational hazards through talks and OHS campaigns aimed at workers to promote a culture of prevention and reduce the incidence of accidents. Increase OHS training focused on concrete and specific topics to improve staff preparedness.
	Implement a simple communication system to share lessons learned related to significant incidents or accidents, involving all employees.
	Reduce workplace accident rates over the next year through continuous improvement in safety practices.
	Maintain a recognised health and safety management system, with regular reviews to ensure internal and external standards are in place.
Medium term	Obtain external recognition or positive reviews for good practices in occupational health and safety management, consolidating the Group's reputation in the preventive field.

Equality and diversity

The company has defined a series of clear and measurable objectives to promote equality in its workforce, in line with its commitment to equality and non-discrimination. Although these objectives have been defined specifically for the construction company, many of them have been generalised for the business group, fostering a homogeneous corporate culture aligned with legal obligations.

The compliance indicators will be validated through the meeting to be held in the first half of March 2025 with the Equality Plan Negotiating Committee made up of the most representative trade unions and the company.

Table 50. Targets related to equality and diversity

Theme	Objectives	Indicator
Selection and recruitment	Ensure equal treatment and opportunities based on objective criteria without gender discrimination in selection and recruitment processes.	% of staff in the Recruitment Department trained in equality % of job offers incorporating a commitment to equality as a percentage of the total

Theme	Objectives	Indicator
Training and awareness-raising	Raise staff awareness to ensure training on equality, gender stereotypes and prevention of sexual and gender-based harassment.	of people trained as % of total % of new recruits trained out of the total
	Ensure access to training at all levels of the workforce.	% of e-learning training actions % of calls made out of the number of given.
Career advancement	Guarantee that the criterion for professional development in the Company is the professional value of the candidates for the post, incorporating the gender perspective in promotion processes. And increase the promotion of women in the company.	Women participants in the talent management programme.
		Women with career development assessment.
		No. of vacancies reviewed and report of detected inaccuracies.
	Ensure that vacancies reach both female and male members of staff.	No. of vacancies reported.
Co-responsible exercise of reconciliation rights	To promote work-life balance among staff.	% teleworking
		No. of information and awareness-raising campaigns carried out.
	Guarantee the co-responsible exercise of work-life balance rights, informing and making them accessible to the entire workforce and improving legal measures to facilitate the reconciliation of personal, family and working life.	Conciliation procedure.
Under-representation of women	Equalise the presence of women and men in the different areas and positions in the company.	Women in the workforce by position
Remuneration	Ensure equal pay for work of equal value.	Wage audit.
		% of women receiving training
Preventing and dealing with sexual and/or gender-based harassment	Ensure that the necessary procedures and means are in place to prevent, detect and respond to situations of harassment classified as sexual and gender-based harassment.	Harassment cases.
Corporate Image and Communication	Ensure neutral use of language in all internal and external communications.	No. of measures used.
	Raise awareness and inform staff about work-life balance and co-responsibility.	% staff sensitised
Working conditions	Ensure that recruitment conditions comply with the principle of equal treatment and opportunities based on objective criteria, without direct or indirect discrimination.	Permanent departures by job and gender
Prevention of occupational risks with a gender perspective	Incorporate the gender perspective in the prevention policy, in health surveillance, as well as in any other obligation related to the prevention of occupational risks, paying special attention to the risks associated with pregnancy and breastfeeding.	Data disaggregated by occupational category and gender of the accident rate and occupational disease.
Gender-based violence	Guarantee that any female worker who is a victim of gender-based violence is aware of and can exercise the rights recognised by law, as well as the existing improvements in the company.	No. of women victims of gender-based violence hired.

2023 is set as the base year, serving as a starting point to diagnose the current state of processes and measure progress over time. These objectives reinforce the corporate policy of equality and

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social responsibility, focusing on eliminating gender bias and ensuring equal opportunities for all employees.

Targets have been designed in absolute and relative terms, depending on their nature. For example, the total number of people trained in equality represents an absolute target, while the percentage of procedures reviewed to ensure that they do not contain gender bias is a relative target. These measurements allow progress towards a more inclusive and diverse environment to be assessed.

The achievement of these objectives is organised in different timeframes. Short-term goals, such as equality training and the review of selection procedures, had a deadline of December 2023 and were implemented in the first year of the plan's implementation. On the other hand, the more strategic objectives, such as the implementation of work-life balance policies, the evaluation of equal pay and the continuous monitoring of indicators, have a broader scope in the medium and long term.

b. Parameters related own staff

The data are presented at year-end (31 December) and on a headcount basis. During the 2024 fiscal year, Grupo SANJOSE has worked on redefining its professional categories in order to adapt them to the reality of its workforce and improve personnel management. In addition, the age brackets have been adapted to the requirements established by the European Sustainability Standards (CSRD). This work implies that the information presented is not comparable with previous years, so no forward-looking data are presented.

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Figure 14. Distribution of employees by geographical area

CSRD - S1-6-50a

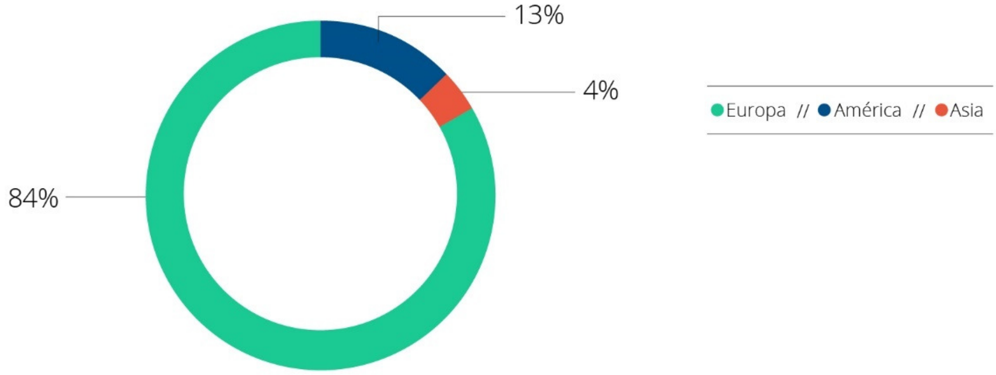

Table 51. Total wage earners by sex and country

CSRD - S1-6-50a / Act 11-2018 - Total and distribution of employees

Sex	Total	Spain	United Arab Emirates	Portugal	Chile	Peru	USA	Argentina	Mexico	Italy	India
Man	3.740	2.947	152	212	309	31	8	8	58	8	7
Woman	673	473	7	51	103	15	0	5	17	1	1
Another	0	0	0	0	0	0	0	0	0	0	0
Not notified	0	0	0	0	0	0	0	0	0	0	0
Total number of employees	**4.413**	**3.420**	**159**	**263**	**412**	**46**	**8**	**13**	**75**	**9**	**8**

Figure 15. Distribution of employees by professional category

Law 11-2018 - Total and distribution of

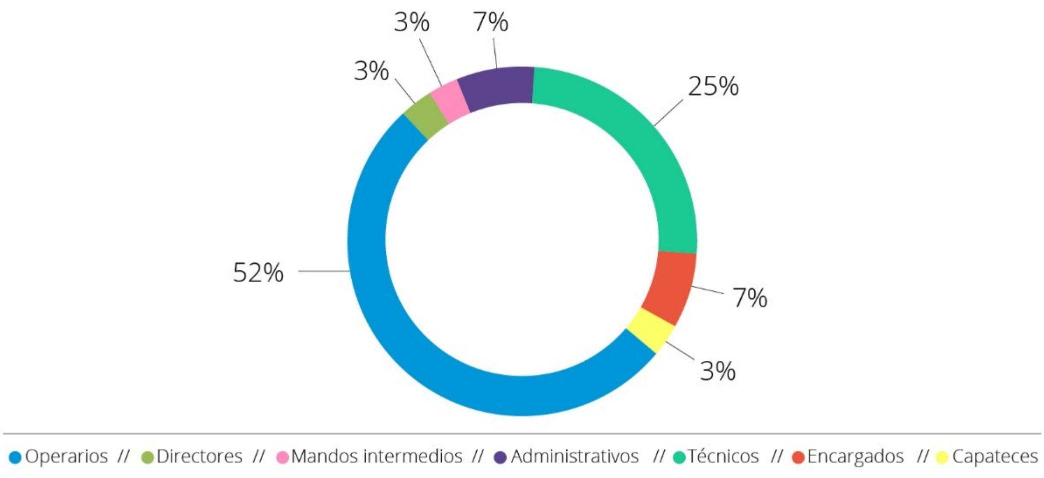

Table 52. Total number of employees and distribution by sex and professional category

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Law 11/2018 - Distribution of employees by sex and professional classification

Professional category	Number of employees			
	Total			
	Man	Woman	Another	Not notified
Directors	116	7	0	0
Middle management	87	37	0	0
Administrative	114	203	0	0
Technicians	771	317	0	0
Managers	308	4	0	0
Foremen	134	2	0	0
Operators	2.210	103	0	0
Total number of employees	3.740	673	0	0

Table 53. Distribution by sex, country and professional category

Law 11/2018 - Distribution of employees by gender, occupational classification and country

Professional category	Number of employees			
	Spain			
	Man	Woman	Another	Not notified
Directors	84	5	0	0
Middle management	55	27	0	0
Administrative	84	156	0	0
Technicians	588	224	0	0
Managers	246	3	0	0
Foremen	113	0	0	0
Operators	1.777	58	0	0
Total number of employees	2.947	473	0	0
United Arab Emirates				
Directors	2	0	0	0
Middle management	0	0	0	0
Administrative	7	5	0	0
Technicians	10	2	0	0
Managers	0	0	0	0
Foremen	2	0	0	0
Operators	131	0	0	0
Total number of employees	152	7	0	0
Portugal				
Directors	14	0	0	0
Middle management	16	1	0	0
Administrative	7	7	0	0
Technicians	77	39	0	0
Managers	43	0	0	0
Foremen	12	0	0	0
Operators	43	4	0	0
Total number of employees	212	51	0	0
Chile				
Directors	6	2	0	0
Middle management	9	7	0	0
Administrative	5	20	0	0

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Technicians	62	39	0	0
Managers	13	1	0	0
Foremen	4	2	0	0
Operators	210	32	0	0
Total number of employees	309	103	0	0
Peru				
Directors	3	0	0	0
Middle management	2	2	0	0
Administrative	4	6	0	0
Technicians	12	7	0	0
Managers	3	0	0	0
Foremen	3	0	0	0
Operators	4	0	0	0
Total number of employees	31	15	0	0
USA				
Directors	2	0	0	0
Middle management	3	0	0	0
Administrative	0	0	0	0
Technicians	2	0	0	0
Managers	1	0	0	0
Foremen	0	0	0	0
Operators	0	0	0	0
Total number of employees	8	0	0	0
Argentina				
Directors	3	0	0	0
Middle management	1	0	0	0
Administrative	4	5	0	0
Technicians	0	0	0	0
Managers	0	0	0	0
Foremen	0	0	0	0
Operators	0	0	0	0
Total number of employees	8	5	0	0
Mexico				
Directors	0	0	0	0
Middle management	0	0	0	0
Administrative	2	2	0	0
Technicians	16	6	0	0
Managers	0	0	0	0
Foremen	0	0	0	0
Operators	40	9	0	0
Total number of employees	58	17	0	0
Italy				
Directors	2	0	0	0
Middle management	0	0	0	0
Administrative	0	1	0	0
Technicians	2	0	0	0
Managers	2	0	0	0
Foremen	0	0	0	0
Operators	2	0	0	0
Total number of employees	8	1	0	0
India				
Directors	0	0	0	0

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Middle management	1	0	0	0
Administrative	1	1	0	0
Technicians	2	0	0	0
Managers	0	0	0	0
Foremen	0	0	0	0
Operators	3	0	0	0
Total number of employees	7	1	0	0

Figure 16. Distribution by type of contract

CSRD - S1-6-50b // Law 11/2018 - Contract Modalities

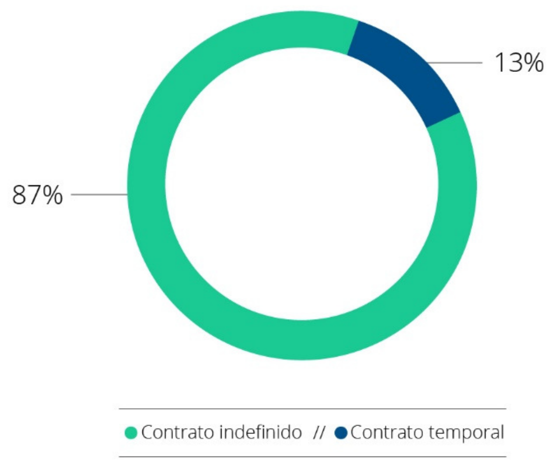

Table 54. Number of employees by type of contract distributed by sex, age and occupational classification

CSRD - S1-6-50b -51 // Law 11/2018 - Contract Modalities

		Number of employees	
		Total	
		Indefinite contract	**Temporary contract**
Sex	Man	3.272	468
	Woman	584	89
	Another	0	0
	Not notified	0	0
Age	< 30	392	141
	30-50	2.171	259
	> 50	1.293	157
Professional category	Directors	120	3
	Middle management	120	4
	Administrative	266	51
	Technicians	937	151
	Managers	275	37
	Foremen	113	23

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Table 55. Number of employees by country, type of contract, sex, age and occupational classification

CSRD - S1-6-50b, 51 // Law 11/2018 - Contract Modalities

		Number of employees					
		Spain		Portugal		United Arab Emirates	
		Indefinite	Temporary	Indefinite	Temporary	Indefinite	Temporary
Sex	Man	2.626	321	150	62	152	0
	Woman	433	40	27	24	7	0
	Another	0	0	0	0	0	0
	Not notified	0	0	0	0	0	0
Age	< 30	294	52	7	34	23	0
	30-50	1.653	168	107	39	125	0
	> 50	1.112	141	63	13	11	0
Professional category	Directors	89	0	14	0	2	0
	Middle management	81	1	16	1	0	0
	Administrative	205	35	10	4	12	0
	Technicians	747	65	62	54	12	0
	Managers	224	25	31	12	0	0
	Foremen	99	14	6	6	2	0
	Operators	1.614	221	38	9	131	0
		Chile		Peru		USA	
		Indefinite	Temporary	Indefinite	Temporary	Indefinite	Temporary
Sex	Man	309	0	12	19	8	0
	Woman	103	0	9	6	0	0
	Another	0	0	0	0	0	0
	Not notified	0	0	0	0	0	0
Age	< 30	65	0	0	2	0	0
	30-50	255	0	17	21	4	0
	> 50	92	0	4	2	4	0
Professional category	Directors	8	0	0	3	2	0
	middle management	16	0	2	2	3	0
	Administrative	25	0	5	5	0	0
	Technicians	101	0	11	8	2	0
	Managers	14	0	3	0	1	0
	Foremen	6	0	0	3	0	0
	Operators	242	0	0	4	0	0

		Number of employees					
		Mexico		Argentina		Italy	
		Indefinite	Temporary	Indefinite	Temporary	Indefinite	Temporary

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Sex	Man	0	58	8	0	6	2
	Woman	0	17	4	1	1	0
	Another	0	0	0	0	0	0
	Not notified	0	0	0	0	0	0
Age	< 30	0	52	2	1	1	0
	30-50	0	23	7	0	3	2
	> 50	0	0	3	0	3	0
Professional category	Directors	0	0	3	0	2	0
	Middle management	0	0	1	0	0	0
	Administrative	0	4	8	1	1	0
	Technicians	0	22	0	0	2	0
	Managers	0	0	0	0	2	0
	Foremen	0	0	0	0	0	0
	Operators	0	49	0	0	0	2

		India	
		Indefinite	Temporary
Sex	Man	1	6
	Woman	0	1
	Another	0	0
	Not notified	0	0
Age	< 30	0	0
	30-50	0	6
	> 50	1	1
Professional category	Directors	0	0
	Middle management	1	0
	Administrative	0	2
	Technicians	0	2
	Managers	0	0
	Foremen	0	0
	Operators	0	3

Table 56. Turnover rate and number of employees who have left the company (s1-6-50c)

CSRD - S1-6-50c // Law 1172018 - Labour information: dismissals

Sex	Staff turnover rate	Number of employees who have left the company
Man	23,47 %	1.315
Woman	28,88 %	171
Another	0	0
Not notified	0	0
Total employees 2024	**32,87 %**	**1.486**

The turnover rate has been calculated based on the total number of people leaving the company (either voluntarily or involuntarily) over the average workforce in the year (4,521 employees). This figure is not comparable to that presented in the 2023 FSIA due to the adaptation of the indicator to

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the requirements of the CSRD. On a comparable basis, the turnover rate in 2023 was 37.55%.

Table 57. Dismissals

Law 11/2018 - Dismissals

		Number of redundancies by country						
		Total	Spain	United Arab Emirates	Chile	Peru	Argentina	Italy
Sex	Man	266	119	49	89	8	0	1
	Woman	37	13	0	23	0	1	0
	Another	0	0	0	0	0	0	0
	Not notified	0	0	0	0	0	0	0
Age	< 30	47	19	11	14	3	0	0
	30-50	174	65	36	67	5	1	0
	> 50	82	48	2	31	0	0	1
Professional category	Directors	4	2	0	2	0	0	0
	Middle management	9	0	0	8	0	1	0
	Administrative	15	10	5	0	0	0	0
	Technicians	38	16	9	13	0	0	0
	Managers	24	21	0	2	0	0	1
	Foremen	11	6	2	3	0	0	0
	Operators	202	77	33	84	8	0	0

Table 58. Number by type of contracts distributed by gender, age and professional classification[16]

Law 11/2018 - Number of contract modalities

All part-time employees work in Spain.

		Number of employees	
		Total	
		Full time	Part-time
Sex	Man	2.869	78
	Woman	452	21
	Another	0	0
	Not notified	0	0
Age	< 30	331	15
	30-50	1.785	36
	> 50	1.205	48
Professional category	Directors	89	0
	Middle management	81	1

[16] This information refers to Spain, where 100 % of part-time employees are concentrated. None of the other countries exceeds the relevance thresholds (50 employees representing 10% of the population).

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	Administrative	234	6
	Technicians	805	7
	Managers	242	7
	Foremen	113	0
	Operators	1.757	78

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SOCIAL INFORMATION

3.2. Value chain workers (S2)

3.2.1. Strategy

a. Material issues, risks and opportunities and their interaction with strategy and business model

CSRD - ESRS 2 - SMB-3

Grupo SANJOSE's activity involves close collaboration with subcontractors, who form an essential part of its value chain. In this sense, the Group works to ensure that the subcontractor has previously passed an approval process to mitigate the possible effects of their work on the environment, clients and users, or on the workers in our value chain.

The Group's business model entails potential negative impacts for the workers in the value chain, specifically for those workers who carry out their activities in the Group's own facilities. These impacts are particularly due to the characteristics of the construction sector, such as exposure to occupational hazards.

Grupo SANJOSE works to ensure that its subcontractors and suppliers collaborate in the execution of the works, complying with the requirements of safety, quality, environment, deadline and price. All our suppliers adhere to the Group's ethical principles, which promotes the correct management of their team.

In the materiality analysis carried out, no operations have been identified with a particular risk in terms of forced labour, child labour or other human rights. Nor have any material impacts been identified in relation to specific groups of workers in the value chain.

3.2.2. Impact, risk and opportunity management

a. Policies related to value chain workers

CSRD - S2-1 // Law 11/2018 - Policies

Grupo SANJOSE establishes in its Code of Conduct a framework of policies and principles applicable to all its employees, directors, managers and business partners, including subcontractors and suppliers. The Code of Conduct includes a number of key elements that align its internal policies with the principles of the United Nations Global Compact and the International Labour Organisation (ILO). The document sets out the Group's commitment to long-term value creation and respect for all stakeholders, including employees, suppliers, customers, and the wider community.

This Code is mandatory in all subsidiaries and geographical areas where the Group operates, ensuring that all agents involved in its value chain are aware of and comply with the Group's ethical values and human rights standards. Through contractual clauses, the Group ensures that these third parties are aware of and respect ethical, labour and human rights principles, promoting a culture of regulatory compliance and respect for human rights throughout its value chain.

Likewise, in this commitment to integrity and respect for people, SANJOSE declares with conviction that it does not carry out activities with significant risks of forced, compulsory or child labour and that none of the Group's operations are carried out in regions with high exposure to these practices.

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In accordance with this framework, Grupo SANJOSE requests from its suppliers and subcontractors the labour documentation corresponding to the employees who participate in its projects, guaranteeing that minors are not employed and that labour rights are not violated. In addition, the Group prioritises the contracting of suppliers who share its vision of sustainability, promoting a value chain aligned with international standards of ethics, equality and respect for human rights.

To ensure that all employees and third parties understand and comply with the Code of Conduct, the Group disseminates the Code through internal platforms and the corporate website, available to employees and external partners. Grupo SANJOSE also incorporates continuous training on human rights and compliance policies in its Crime Prevention Training Plans, ensuring that all employees are aware of and participate in the culture of ethical compliance.

As detailed in chapter 4. Governance, the Supervisory Body is responsible for monitoring compliance with the Code of Conduct and ensuring the implementation of these principles in all its operations and business relationships.

Finally, one of the bases of Grupo SANJOSE's success is the global interconnection of all the countries and their projects with the central purchasing office, so that the most important actions that are being carried out are always known, both through communication between those in charge and the central purchasing office, as well as through its computer tool. This tool allows, at any time, access to information on a specific project, suppliers, prices, quality of execution of a company or subcontractor in the markets in which it is present. This system therefore guarantees not only efficient management, but also transparency and compliance with the ethical and quality standards established in the Code of Conduct.

b. Processes for collaborating with value chain workers on incidents

CSRD - S2-2

The workers in the value chain that carry out their activities at Grupo SANJOSE facilities have at their disposal all the communication and incident repair channels available to the Group's employees. For more information, see the description of these channels in section 3.1.2.c) of this report.

c. Processes for redressing negative incidents and channels for value chain workers to voice concerns

CSRD - S2-3

Grupo SANJOSE has implemented a Whistleblower Channel managed by the Supervisory Body, which allows both its own employees and third parties to report any incident related to non-compliance with the principles of the Code of Conduct. This channel is detailed in point 4.1.2.c) of this report.

In order to facilitate access to this channel, Grupo SANJOSE has arranged for the Whistleblower Channel email address to be included in the worksite booths, so that all workers, including those working at construction sites, are aware of the existence of the channel and can report concerns or problems in a direct and simple manner.

The Group also promotes the participation of workers through their legitimate representatives. The Prevention Delegates, site managers and monitoring committees act as mediators to gather proposals, resolve concerns and ensure that safety and repair measures are properly implemented.

Finally, when a worker in the value chain suffers a negative impact as a result of an accident at work, Grupo SANJOSE activates remediation mechanisms that include coverage through civil liability insurance policies. These policies also cover aspects such as legal defense, possible bail bonds, and the amount of claims that exceed the excess agreed upon for Group personnel affected by the claim.

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Additionally, Grupo SANJOSE directly assumes certain aspects that are not transferable to the insurance market, such as penalties, deductibles, benefit surcharges, or effects derived from occupational illnesses. These mechanisms make it possible to address the economic effects of the impact in an efficient manner, ensuring that the rights of the affected workers are respected and that legal responsibilities are rigorously managed.

d. Action on material incidents, risks and opportunities related to workers in the value chain and the effectiveness of such actions

CSRD - S2-4 // Law 11/2018 - Subcontracting and suppliers

Grupo SANJOSE has implemented a set of measures to mitigate and remedy negative impacts and risks on workers in the value chain, ensuring their well-being and protecting their labour and social rights.

These actions have their scope in construction projects and are carried out throughout the construction works, especially during the initial phase of the subcontracting process, but also in its follow-up.

Among other things, Grupo SANJOSE ensures that suppliers integrate compliance with labour legislation, the strengthening of health and safety at work, continuous employee training and document management.

First, to ensure decent working conditions and regulatory compliance, subcontractors are obliged to comply strictly with all applicable labour laws. This includes legislation on accidents at work, health and safety in the workplace, and prevention of occupational hazards. Each subcontractor must appoint a qualified manager to oversee compliance with these obligations and ensure that all personnel assigned to projects have the necessary collective safety measures in place. Regular submission of documentation proving payment of social security, wages and other labour obligations is also required, allowing for continuous monitoring of compliance and a rapid response to possible non-compliance.

In terms of document management, subcontractors are obliged to contract a document management platform. On the one hand, this platform makes it possible to register the entries and exits of workers through the QR codes on the access cards. On the other hand, it facilitates the immediate verification that the documentation related to the safety, health and personnel of subcontractors is complete and up to date during the entire time of intervention in the work, including a Civil Liability policy with liability coverage, as well as the specific policies required by the applicable agreement. This system ensures that all relevant information is up to date and available, promoting transparency and enabling early identification and resolution of potential negative impacts on workers. Failure by subcontractors to comply with this obligation may result in the termination of the contract and the demand for compensation.

On the other hand, protocols have been adopted to guarantee the training and awareness of subcontracted workers in critical areas such as occupational safety, environmental management, and respect for the ethical principles established in the Code of Conduct and Anti-Corruption Policy of Grupo SANJOSE. Subcontracted workers are given informative talks on relevant OHS issues, and when they enter a construction site for the first time, they are given a copy of the Grupo SANJOSE Safety Manual. Acceptance of and compliance with these principles are essential conditions of any subcontracting contract.

Grupo SANJOSE has a procedure for investigating incidents, work-related accidents, and occupational illnesses that is integrated into the health and safety management system. All accidents/incidents that occur in the work centres, both our own and those of subcontractors or external personnel, are investigated with the participation of the workers and involving other relevant stakeholders. In addition, the need for action to eliminate the root causes of the occurrence is assessed in order to prevent recurrence.

In environmental matters, Grupo SANJOSE ensures that subcontractors adopt sustainable practices that minimise any possible impact on workers and the environment. This includes:

- Comply with the environmental legislation applicable to the contracted works, making sure to be familiar with it before signing the contract.
- Avoid dumping, abandonment of waste or any action that causes environmental damage.
- Have the necessary means to correctly manage and remove all waste generated, including hazardous and non-hazardous .
- Provide the Main Contractor with the supporting documents proving the correct management of the waste in accordance with the regulations in force. If waste is temporarily stored on site, this must be done only in the areas and under the conditions defined by the Main Contractor.
- To have all the necessary licences and permits to carry out the contracted work.
- Ensure that your staff is trained and informed about their environmental responsibilities.
- Maintain the equipment and machinery used in good condition, complying with the regulations, and provide the Main Contractor with the documentation that proves it.
- Do not carry out maintenance of machinery on site without the Main Contractor's authorisation. Otherwise, it must be carried out in authorised workshops or on his own premises.
- Ensure that the fulfilment of its environmental responsibilities does not generate additional costs for the Main Contractor. If unforeseen costs are incurred, these shall be borne by the Subcontractor.
- The activities of subcontractors are continuously monitored to ensure regulatory compliance and prevent risks that could affect workers or the environment.

Finally, Grupo SANJOSE promotes open communication and a constant monitoring system to identify and proactively address any risk or negative impact that may affect workers, the environment, or the labour relations of subcontractors.

Likewise, the satisfaction of workers in the value chain is monitored through the Prevention Delegates, who collect proposals for improvement, suggestions and complaints, and periodic reviews are carried out in the work centres to assess both safety conditions and the implementation of necessary improvements. These tools make it possible to prioritise resources towards critical areas, reducing incidents and strengthening occupational safety. In addition, specific email and telephone channels have been set up to deal with specific issues such as harassment, equality and other aspects related to safety and well-being at work.

3.2.3. Parameters and targets

a. Targets related to the management of material incidents, risks and opportunities

CSRD - S2-5

Grupo SANJOSE has not set specific goals in its management of the impacts, risks, and opportunities linked to workers in the value chain. The identification of these incidents and the implementation of corrective measures is carried out through collaboration with its value chain, through the Code of Ethics, the purchasing policy and the social clauses in contracts with suppliers.

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SOCIAL INFORMATION

3.3. Affected groups (S3)

3.3.1. Strategy

a. Impact, risks and opportunities in relation to affected groups

CSRD - ESRS 2- SBM-3

The dual materiality analysis conducted in 2024 has enabled the Group to deepen its understanding of how communities may be impacted by the Group's activity along its value chain.

Grupo SANJOSE's social contribution through the construction of buildings, civil works, and other services such as maintenance and energy services, clearly benefits the communities where it operates. These benefit from the revaluation of their neighbourhoods, greater access to community services and infrastructure or housing solutions.

On the other hand, Grupo SANJOSE's activity, and specifically construction, can be a nuisance to the communities adjacent to the works and projects carried out by the Group. These incidents can be intrinsic to the activity, such as noise nuisances, the need to modify roads or accesses, etc.; or they can be due to specific events, such as potential damage to assets derived from the activity.

These impacts affect the entire neighbouring population in a similar way, and are not specific to any particular group. The Group's activities do not have a significant impact on indigenous peoples.

3.3.2. Management of impacts, risks and opportunities related to collectives

a. Policies related to affected groups

CSRD - S3-1

Grupo SANJOSE aims to create a positive impact on society with each project it undertakes. Promoting growth and improving the quality of life of populations through the construction of services (hospitals, sports centres, green areas, etc.) and their maintenance, improving access to housing. In short, to provide added value in a responsible and sustainable manner.

Grupo SANJOSE works in collaboration with its clients (project developers) to reduce disturbances as much as possible and to increase the positive effects of each intervention. In this way, the construction project includes the needs of neighbouring groups from the first design phase.

Grupo SANJOSE is committed to strict compliance with these requirements from the approval of the contract and guarantees the extension of these commitments in the event that the execution of the works implies changes in the initial conditions.

Moreover, the Group is committed to maximising the positive effects of its activities through its charitable work in the countries where it is present.

In the area of Human Rights, Grupo SANJOSE adopts the 10 principles of the United Nations Global Compact on human rights, labour, environment and anti-corruption, inspired by the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption.

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b. Processes to collaborate with affected groups on issues of concern

CSRD - S3-2

In this management framework, the client acts in most cases as the main interlocutor with the local communities, leading the dialogue and direct communication with the neighbours in the context of each project.

The dialogue channels are adapted to the different needs of the projects:

- Placement of a suggestion box accessible to groups adjacent to the works.
- Formal communication addressed to the neighbourhood councils, specifying the type of work, its duration.
- Communication of the contact office address, promoting open and accessible communication.
- In particular situations and at the request of the client, meetings have been held with neighbours to explain the development of the works.
- Ongoing dialogue with the client and relevant local authorities, especially in the case of projects in areas of particular sensitivity, where there may be impacts on biodiversity or archaeological remains.

c. Processes for redressing negative impacts and channels for affected groups to voice their concerns

CSRD - S3-3

Grupo SANJOSE manages the negative impacts on the communities affected by its projects following an approach aligned with the applicable regulations and the guidelines of the client or developer.

This management model emphasises compliance with legal and technical standards, as well as problem solving in accordance with the requirements set out in each project.

All Grupo SANJOSE work centres have a physical and virtual suggestion box, which is accessible to the groups potentially affected by the work being done. When incidents are received from neighbours, such as specific damages , they are reported to the delegate and the site manager. Subsequently, the complainant is informed that the situation is being managed, and the delegate is responsible for communicating the outcome of the resolution. This approach ensures a swift and appropriate response to problems that may arise during the execution of the project.

Additionally, in the event that incidents occur during the execution of projects, Grupo SANJOSE takes an active role in managing and resolving such situations. One of the pillars of incident management is the implementation of civil liability insurance to cover possible collateral damage. These policies are designed to ensure that, in the event of an incident, repairs are carried out quickly and appropriately.

In addition, it is common practice to draw up a notarial report on the condition of adjacent dwellings prior to the start of the work. These reports make it possible to identify potential damage after the works have been carried out.

In order to guarantee the quality of the works and their proper functioning once delivered, Grupo SANJOSE implements a guarantee period in which it attends to and resolves any defect or damage that may arise that is attributable to it.

In terms of business relationships, the company requires its subcontractors to have their own liability policies, ensuring that parties involved in projects are prepared to address any impact on communities or the environment. This approach strengthens the ability of the working ecosystem to comply with regulations and manage potential incidents.

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d. Action on material impacts, risks and opportunities related to affected groups, and the effectiveness of such actions

CSRD - S3-4 // Law 11/2018 - Impact on local populations and the territory

Grupo SANJOSE's approach allows it to provide a rapid response to negative impacts on local communities, as well as to promote the positive impact of its activity through social commitment projects.

Impacts on cultural heritage

Construction activity can have an impact on the archaeological cultural heritage of groups when it is carried out in sensitive areas or when a heritage discovery is made during the work. In these special situations, Grupo SANJOSE follows a detailed protocol to guarantee their protection.

When working in sensitive areas, a registered archaeologist is contracted, who obtains the necessary permits from the competent authority. During earthmoving activities, the archaeologist remains present to identify possible signs of archaeological sites, having previously documented the environment and its archaeological potential. This monitoring is evidenced by monthly reports. If relevant remains are found, the works are stopped, the area is cordoned off, and Heritage is notified in order to proceed according to the legal provisions, including the request for authorisation to excavate the site under specialised supervision.

Incidents on the property of communities adjacent to the works

In addition to potential damage or nuisance to neighbours, managed through the insurance system and mechanisms described above, one of the main impacts of construction is related to borrowing and landfill that may affect properties adjacent to those defined in the construction projects.

Grupo SANJOSE implements specific measures to minimise the impact on neighbours and local communities. Before work begins, the plots of land are marked out and a buffer zone is established without taking action, which varies between 2 and 50 metres, depending on the characteristics of the land and the proximity to inhabited areas.

These measures aim to ensure that operations do not directly affect neighbouring landowners and nearby neighbours, thus promoting a safer and more respectful environment during project implementation.

Commitment to society

Law 11/2018 - Contributions to foundations and non-profit organisations

Grupo SANJOSE's commitment to the communities where it operates extends beyond the communication and incident management reported above.

The Group aims to create a positive impact on society with every project it undertakes. To drive growth, provide added value in a responsible and sustainable manner and facilitate the daily lives of people and societies.

During 2024, Grupo SANJOSE has continued with its solidarity work, making a total of €44,642 in donations and carrying out various activities, including the following:

Spain

Social projects:

- Collaborator of the Celta de Vigo Foundation.
- Sports donation to the Kaiku Rowing Sports Club.
- Collaboration with the Club Los Leones de Sevilla.
- Collaborator with the University of Granada.

- Sports donation to the Sanpedrotarra Rowing Club.
- Donation to the Movement for Peace, Disarmament and Freedom.
- Collaborator with the INADE Foundation.
- Collaborator with the La Carrera de las Empresas project organised by Quirónprevención.

Republic of the Union of Myanmar

The Group has collaborated with the Colabora Birmania Foundation, which aims to improve the quality of life of the Burmese population through education, infrastructure and humanitarian assistance projects.

Peru

The Group has collaborated with the Asociación de Hogares Nuevo Futuro, which aims to raise funds to enable the creation and maintenance of homes for abandoned children, with or without physical disabilities.

3.3.3. Benchmark and targets

a. Targets related to the management of material incidents, risks and opportunities

CSRD - S3-5

Grupo SANJOSE has not set specific goals in its management of the impacts, risks and opportunities linked to the affected groups.

The measurement of the effectiveness of the actions developed is measured by monitoring and measuring the resolution of possible incidents, the renewal of contracted insurance and the constant dialogue with local entities, whether they are administrations or civil society.

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SOCIAL INFORMATION

3.4. Consumers and end-users (S4)

3.4.1. Strategy

a. Material issues, risks and opportunities and their interaction with strategy and business model

CSRD - ESRS 2 - SBM-3

Grupo SANJOSE's business model has a positive impact on end users who see improved access to modern, quality housing, facilities or services. However, a bad practice or failure can have a negative impact on their safety. This is a one-off impact, which the Group transfers to the market through its robust insurance system.

The dual materiality analysis has also determined that the need to increase the housing stock or improve infrastructure may represent a business opportunity for the Group.

The content of this section refers to the end users of the assets built by the Group or where SANJOSE carries out maintenance work, without differentiating between vulnerable groups.

3.4.2. Managing impacts, risks and opportunities in relation to consumers and end-users .

a. Consumer and end-user policies

CSRD - S4-1 // Law 11/2018 - Policies

Grupo SANJOSE's Quality Policy, defined in point 2.3.1.b), reflects a clear commitment to satisfying the needs and expectations of clients, as well as to providing high quality services. This is materialised through a Quality and Environmental Management System based on international standards ISO 9001:2015 and ISO 14001:2015. In this context, the Group is committed to ensuring continuous improvement in the effectiveness of its management system, ensuring that all services and products offered comply with legal, regulatory and other applicable requirements.

The policy also stresses the importance of staff involvement in management processes. This includes ongoing training programmes to ensure that staff have the high level of qualification necessary to respond efficiently to customer needs. In addition, it sets objectives specifically aimed at improving processes and services, with a view to increasing customer satisfaction.

b. Processes for engaging with consumers and end-users on issues

CSRD - S4-2

Grupo SANJOSE's direct operation does not involve contact with end users, who are involved in the project after the operation has been completed, and when the project has been delivered and guaranteed by the client. Therefore, the Group does not develop specific channels of dialogue with end users, but these are the responsibility of the clients.

c. Processes for redressing negative incidents and channels for end-users to voice their concerns

CSRD - S4-3

The management of relations with communities and end users is ultimately the responsibility of the

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client or developer, who is in charge of the project design and acts as the main interlocutor to ensure effective and fluid communication. However, in specific situations where incidents occur, Grupo SANJOSE assumes an active role, directly managing such situations.

To address possible negative incidents, the Group establishes preventive measures and specific protocols to ensure that any eventuality is dealt with diligently and effectively. Among the main tools used are the civil liability policies, in their post-work coverage, and the construction ALL risk policies, which are designed and adapted according to the characteristics of the projects and local contexts, guaranteeing the most appropriate coverage for each specific moment. This includes the contracting of specific policies for each project and the implementation of protocols for action in the event of claims.

In addition, Grupo SANJOSE has protocols for action and incident management that ensure an efficient response, prioritising cases in which the integrity of people is compromised. These processes seek to minimise response times and guarantee that incidents are managed effectively.

The Group's general communication channels, available on its website or directly through local offices, collect possible incidents concerning end users. Incidents reported through the Group's website are managed by the Image and Communication Department, which transfers the information to the responsible area and follows up on the case until it is closed. Grupo SANJOSE guarantees that these channels are secure and protects whistleblowers from any type of retaliation, as described in point 4.1.2.c).

d. Taking action on material impacts, risks and opportunities related to consumers and end-users and the effectiveness of such actions

CSRD - S4-4 // Law 11/2018 - Consumers - Measures

Grupo SANJOSE mitigates potential incidents for its end users based on high standards of quality and continuous improvement of the services provided and adaptation to the needs and expectations of its clients.

With this objective in mind, the Group has had a quality management system in place since 1997, which is constantly being adapted and improved. The involvement, motivation and commitment of the entire Group to quality is total and global, having obtained recognition through ISO 9001 certification of the following companies, in addition to different companies in the group working under the requirements of other certified schemes as indicated in the following table

Table 59. Certificates 2024

Company	Certified scheme	Certificate no.
Constructora San José, S.A.	ISO 9001	ER-0510/1997
	ISO 14001	GA-2003/0398
	UNE 166002	IDI-0056/2010
	ISO 50001	GE-2013/0010-002/1
	ISO 19650	BIM-2023/0002
	GHG PROTOCOL	GHG-0062/2024
	ISO 45001	ES143905 - 1
	ISO 39001	ES148193 - 1
Cartuja, S.A.U	ISO 9001	ER-1363/1999
	ISO 14001	GA-2006/0028
	GHG PROTOCOL	GHG-0142/2023
	ISO 45001	ES143905 - 1
	ISO 39001	ES148193 - 1
EBA, S.L.	ISO 9001	ER-1170/2004
	ISO 14001	GA-2007/0371
	GHG PROTOCOL	GHG-0116/2024
	ISO 45001	ES143905 - 1
	ISO 39001	ES148193 - 1

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Tecnocontrol Servicios, S.A	ISO 9001	ER-1202/1998
	ISO 14001	GA-2007/0395
	ISO 50001	GE-2013/0010
	UNE 216701	PSE-2016/0030
	ISO 45001	ES143905 - 1
	ISO 39001	ES148193 - 1
Constructora San José PORTUGAL, S.A	ISO 9001	ER-0011/2002
	ISO 14001	GA-2009/0351
Constructora UDRA, LD.A	ISO 9001	ER-0102/2011
	ISO 14001	GA-2011/0013
SANJOSE CONTRACTING LLC	ISO 9001	0702000325
	ISO 14001	0702000326
SOCIEDAD CONCESIONARIA SAN JOSE TECNOCONTROL, S.A.	ISO 9001	BVCSG14726
	ISO 14001	BVCSG14727
SAN JOSÉ CONSTRUCTORA PERÚ, S.A.	ISO 9001	ER-0510/1997-003/00
	ISO 14001	GA-2003/0398-003/00
	ISO 45001	ES143905 - 1

ER: Quality Management System **GA:** Environmental Management System **RDI:** R+D+i Management System

GE: Energy Management System **PSE**: Energy Service Providers **GHG:** Carbon Footprint

BIM: BIM Information Management System

These certificates are internationally accepted thanks to multilateral recognition agreements (MLAs) between accreditation bodies.

As a measure to monitor the effectiveness of these systems, Grupo SANJOSE carries out audits of the management systems. In 2024, 94 audits were carried out on quality, environmental management, RDI, energy, energy services, carbon footprint and information management.

Figure 17. Evolution of the number of audits 2021-2024

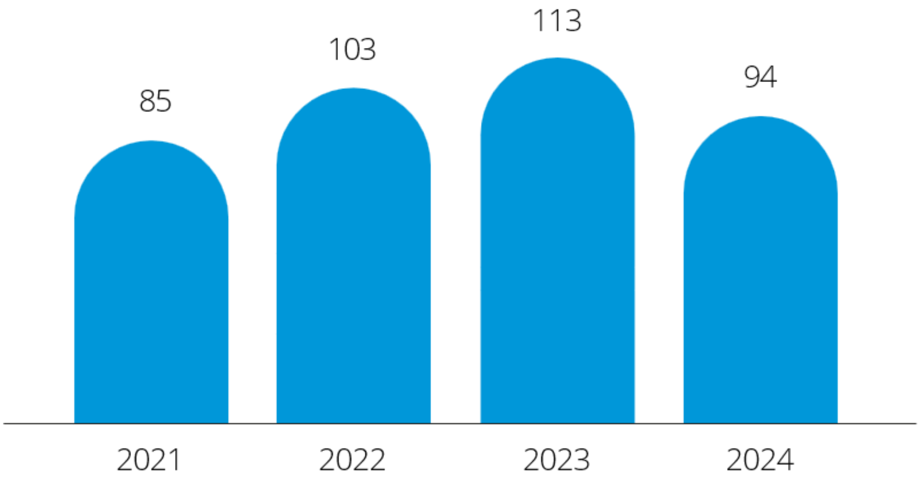

Table 60. Evolution of the number of audits by business area

Year	Business areas	No. of audits
2021	Construction - Industrial engineering	61
	Concessions and services	18
	Energy and environment	6
2022	Construction - Industrial engineering	78

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	Concessions and services	18
	Energy and environment	7
2023	Construction - Industrial engineering	87
	Concessions and services	17
	Energy and environment	9
2024	Construction - Industrial engineering	71
	Concessions and services	12
	Energy and environment	11

R&D&I

Grupo SANJOSE maintains its commitment to technological development and innovation (IDI), which it considers key elements for the Group's competitiveness and for responding to material impacts, risks, and opportunities in relation to end users. This innovation allows SANJOSE to drive progress and to be able to offer more efficient solutions adapted to the real needs of its clients and society.

RDI is a priority in all of Grupo SANJOSE's business areas. In this sense, a commitment has been made by Senior Management and an organisational structure has been developed to promote the generation of ideas and the most innovative practices, thus laying the foundations for competitive improvement and strategic vigilance.

The IDI System has been recognised by means of certification in accordance with the requirements of the UNE 166002 standard for the company Constructora San José S.A., with certificate number IDI-0056/2010.

IDI's policy is directed towards the application of new techniques in construction or new technologies to the construction cycle, the promotion of applied technology, the optimisation of processes and resources, the preservation of the environment and the natural surroundings, and to find permanent opportunities for improvement. All of this with the clearly defined objectives of Sustainable Development and Circularity. Among the strategic technological areas, the following stand out:

- Applicable technologies for the execution of the work.
- Durability and safety of construction.
- New materials and construction processes.
- Renewable energy and energy efficiency.
- Industrial automation.
- Specialised maintenance of installations.
- Preservation of the environment and natural surroundings, etc.

Within the framework of this policy, Grupo SANJOSE has developed innovation and development projects, for which it has had the support and financing of important development centres. The projects have been financed or certified by the Spanish Centre for Technological Development and Innovation (CDTI) and other competent bodies for accreditation.

Table1 1. List of R&D&I projects

Name of the project	Project no.	Funding Entity
Selection and evaluation of the potential for planting native xerophytic species in gardens with a continental Mediterranean climate.	IDI-2010-0256	CDTI
Investigation of the structural behaviour of the granular layers	DI-2010-1292	CDTI

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that make up a pavement as a function of humidity.		
Acoustic insulation system with tubular screens based on the Kundt effect	IDI-2010-1737	CDTI
Use of recyclates in civil engineering works	IDI-2011-0109	CDTI
Fixed and automatic precipitation fog detection and dissipation system by means of hygroscopic agents.	IDI-2015-0870	CDTI
Remoteblok: system for the integration of circular economy principles and EU level(s) framework, through extended reality, in construction and maintenance processes in the building sector.	IDI-2023-0650	CDTI

Name of the project	Certification body
Development of a new anchoring system and inspection technique for ventilated façades.	EQA
Development of a tunnel pumping test in high permeability terrain.	EQA
Research and Development in Ecological and Landscape Restoration	EQA
New special curtain wall developments	EQA
Development of new energy-efficient systems for sustainable construction	EQA
Higher efficiency solar thermal and photovoltaic plants with minimised environmental impact	EQA

Among the projects developed in the last period, the Mixed Reality (MR) project in the construction process, called Remoteblok. This project, which is being developed with funding from the CDTI, aims to integrate the principles of circular economy and the European Union's Level(s) framework, through Extended Reality, both in construction processes and in maintenance processes in the construction sector.

Constructora San José, S.A., as a member of SEOPAN, continues to collaborate actively in the RDI commission of this organisation, obtaining the necessary information and invitations to continue complementing innovative knowledge in the sector. During this year, it has contributed its knowledge of BIM methodology to the collaboration between SEOPAN and the Ministry of Transport and Sustainable Mobility (MITMA), which has recently approved the BIM Plan, which will transform the way traditional roads are executed to turn them into Smart Roads.

Protection through insurance cover for incidents involving users or constructions.

In the event that incidents occur with respect to users or buildings, Grupo SANJOSE has a global insurance policy that allows it to transfer these risks to the market and provide an effective response to potential incidents.

In order to protect the works in progress during the term of the works contracts against accidental risks arising from design errors, execution, defects in materials, fire, natural hazards and atmospheric phenomena, theft, strikes, riots, acts of vandalism, etc., all works are covered by a very carefully designed All Risks Construction insurance programme. All the works are covered by a very elaborate All Risks Construction insurance programme in which extensive coverage has been incorporated and the limiting clauses and exclusions standard in this type of policy have been significantly limited.

It is the Risk Management Department's task to ensure that all projects are insured under this programme, regardless of whether they are projects to be carried out 100% by Grupo SANJOSE companies or in joint ventures.

From the initial study and bidding phase of the work, the Risk and Insurance Management Area works in coordination with the contracting, legal, and production areas of Grupo SANJOSE to analyze the contractual and legal requirements in this area and to analyze the need for coverage for risks that affect or could affect the operation. An estimate is made of the costs of the main insurance coverage to be contracted and, if awarded, work is done to achieve the highest level of protection possible given the specific circumstances of each project.

3.4.3. Parameters and targets

a. Targets related to the management of material incidents, risks and opportunities

CSRD - S4-5

Grupo SANJOSE has not set specific goals in its management of the impacts, risks, and opportunities linked to its end users. The management of these impacts, risks, and opportunities is done together with the Group's clients, who set the quality and safety measures to be implemented in the construction projects.

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GRUPO SANJOSE

04 Information governance.

Business Conduct (G1)

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GOVERNANCE INFORMATION

4.1. Business Conduct (G1)

4.1.1 Strategy

a. The role of administrative, management and supervisory bodies

CSRD - ESRS 2 - GOV-1

Grupo SANJOSE's governance model establishes that the Board of Directors is the highest body responsible for approving issues related to corporate culture. In this regard, the Board has ratified the Code of Ethics of the Group and its subsidiaries, as well as the various policies that manage issues such as supplier management, corporate transparency, and the fight against corruption and bribery.

Proposals for amendments to the Code of Conduct and other relevant elements of the Group's corporate culture are submitted to the Group's Board of Directors through the Supervisory Board.

The Group has an internal Supervisory Body, which maintains a fluid and constant relationship of information and communication with the Board of Directors, in charge of supervising the correct functioning and compliance with these principles defined by the Group. It also relies on external experts to advise and verify compliance with corporate policy. This responsibility currently falls to the legal firm Martínez Echevarría. Requirement G1-3 includes more information on the Supervisory Body.

4.1.2 Management of impacts, risks and opportunities

a. Corporate culture and business conduct policies

CSRD - G1-1 // Law 11/2018 - Fight against corruption and bribery

Since its beginnings in the 1970s, Grupo SANJOSE has developed a solid corporate culture based on ethics, regulatory compliance and social responsibility. These principles have been key elements in its business strategy, promoting sustainable development and commitment to people and the environment.

The Organisation and Management Model for Crime Prevention is an essential tool for institutionalising this corporate ethical culture, which is now fully integrated in all Group companies. This Model is based on clear commitments: respect for the environment, prevention of occupational risks and professional development of its employees. These values are reflected in the Welcome Manual, which highlights care for sustainability and the overall well-being of its team as fundamental principles.

As a manifestation of this vision, in 2012 the Board of Directors endorsed the ten principles of the United Nations Global Compact in human rights, labour, environment and anti-corruption. This commitment is aligned with international frameworks such as the Universal Declaration of Human Rights, the principles of the International Labour Organisation, the Rio Declaration on the Environment and the United Nations Convention against Corruption.

The scope of the corporate culture is global and applies to all the companies that make up Grupo SANJOSE, regardless of their location or activity. This implementation guarantees that each entity linked to the Group operates under the same ethical values, respecting the principles of the Code of Commerce and the Securities Market Law.

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Crime Prevention and Anti-Corruption Policy

In keeping with its commitment to business ethics and regulatory compliance, Grupo SANJOSE has identified two types of criminal risks that could affect its activities: specific risks directly related to its operations and general risks applicable to any legal entity.

- Specific risks include urban planning offences, linked to compliance with regulations in construction projects, and environmental offences, related to the environmental impact of their activities. Also relevant are corruption offences, such as bribery or influence peddling, and offences against workers' rights, which include non-compliance with labour regulations or discrimination.
- In terms of general risks, the Group identifies offences related to financial management, such as punishable insolvency, and others linked to business ethics, such as misleading advertising or price-fixing in tenders.

These risks are managed through the aforementioned Crime Prevention Organisation and Management Model and the Anti-Corruption Policy, which develops the corresponding disciplinary framework.

This policy, which has been in force since 2016, applies to the entire Group and is implemented and amended by the Board of Directors. It is monitored by the Supervisory Board. The anti-corruption policy is available on the Group's website and is sent by e-mail to all future directors, executives and employees.

Corporate culture and business conduct policies

In order to establish guidelines for professional, ethical and responsible behaviour, as well as to establish a system for monitoring its application and identifying possible irregularities, Grupo SANJOSE has a "Code of Conduct".

The Code of Conduct sets out the basic principles that must guide the activity of the Group and each of its companies and professionals, regardless of the activity they carry out, the country in which they have their registered office and where they carry out their activity.

The Code of Conduct of Grupo SANJOSE is published in its entirety on its website - www.gruposanjose.biz - for the knowledge of its professionals, stakeholders and all third parties with whom it interacts.

Data protection

Grupo SANJOSE requires its directors, managers and employees to comply with current legislation on data protection, intellectual and industrial property, protecting confidential information entrusted to them by their clients, employees, candidates in selection processes or other third parties. In compliance with this requirement, all directors, managers, and employees of Grupo SANJOSE must maintain the strictest confidentiality regarding all confidential information to which they have access as a result of their professional activities.

Grupo SANJOSE has adopted the corresponding Security Documents that contain the technical and organisational measures to guarantee the security of personal data and avoid its alteration, loss, unauthorised processing or access. All personnel who may be involved in the processing of personal data must respect the contents of the Security Documents.

The Group has Directors' and Officers' liability insurance policies covering all subsidiaries.

b. Supplier relationship management

CSRD - G1-2 // Law 11/2018 - Subcontractors and suppliers

In order to facilitate the reading of this document, this disclosure requirement is presented together with the information on payment practice parameters (G1-6).

Grupo SANJOSE considers it essential to have orderly purchasing management within the different sectors so that the most appropriate option for its needs can always be analysed and chosen. Thus, the Group's purchasing policy reflects a philosophy of balance between decentralisation, which allows for adaptation to the particularities of each project and region, and centralised management that guarantees consistency in the processes.

The regulatory heterogeneity between the different countries in which the Group operates means that each territory has specific requirements for the acquisition of the same materials. Given these circumstances, Grupo SANJOSE has developed a flexible approach that allows for purchasing management adapted to the characteristics of each country, company, and project. This flexibility makes it possible, on the one hand, to implement specific adapted procedures, guaranteeing operational efficiency and compliance with local standards; and, on the other hand, to promote local purchasing whenever it adds value to the operation and sustainability of the business.

The purchasing process begins with the request for bids, for which comparative analyses are made between at least three suppliers that meet the established criteria, such as applicable regulations, quality of materials, guarantees offered and compliance with sustainability criteria, such as LEED, BREEAM or similar seals. These comparisons are subject to an authorisation process that varies according to the amount and nature of the purchase, ensuring that each decision is aligned with corporate objectives. In addition, priority is given to the use of local and recyclable materials, where feasible, in order to reduce the carbon footprint and promote responsible practices.

In LEED and BREEAM certified projects, it is ensured that every phase, from planning to implementation, is geared towards reducing environmental impact and promoting sustainable and energy-efficient buildings, contributing to a significant reduction of CO_2 emissions.

In order to formalise a purchase or subcontract, the supplier or subcontractor must be approved in the Group's database. This approval process requires the Head of Administration to have all supporting documentation, such as authorised installer credentials or proven experience. Once reviewed, it is recorded in the IT system to ensure that only approved suppliers can enter into contracts.

During the execution of contracted work, suppliers and subcontractors are periodically evaluated. This evaluation considers aspects such as compliance with deadlines, quality of supply, and safety and environmental performance. The incidents detected are recorded in the computer system, and if a supplier receives a score of less than 4, the reason for this score is detailed in the report. These evaluations allow Production and Purchasing managers to make informed decisions, such as blocking or temporarily disqualifying suppliers that do not meet the established standards.

In addition, when a supplier or subcontractor conditions the progress of a project due to exceptional circumstances, such as the need for advance payments, the Group establishes additional feasibility analysis processes in conjunction with the purchasing and risk departments to ensure the reliability and capability of the supplier.

Globally, Grupo SANJOSE periodically evaluates its suppliers and subcontractors to ensure compliance with established standards. According to available data, an estimated 9,089 evaluations were carried out in 2024. Of these, only 1.32% had a negative result (<5), reflecting a low level of risk in the Group's contractual relationship with its business partners. In Europe, the percentage of negative assessments was 1.48%, while in Latin America it was significantly lower at only 0.25%.

Table 62. Supplier evaluations carried out by Grupo SANJOSE

Supplier evaluations Grupo San José	2024	2023
Evaluations carried out	9.089	5.790
Negative evaluations (<5)	1,32 %	1, 45 %

In line with its social and environmental responsibility, Grupo SANJOSE integrates sustainability criteria into its purchasing decisions. Each contract with suppliers, subcontractors and business partners includes a clause reinforcing the commitment to the Group's values and regulatory

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standards. In addition, suppliers have access to the Code of Conduct, available on the website (www.gruposanjose.biz), which promotes values such as gender equality and environmental responsibility, essential aspects in the company's business relations.

Moreover, in 2024, 85% of key contracts were awarded to recurring partners (82% in 2023), demonstrating a stable and reliable supply chain. This percentage varies by continent, reaching 86% in Europe and 73% in the Americas. This supplier loyalty not only ensures continuity and quality in projects, but also fosters long-term relationships based on transparency and collaboration, enabling the Group to maintain high standards of quality and sustainability.

Payment practices

CSRD - G1-6

With respect to payment practices, Grupo SANJOSE reaffirms its commitment to responsible and sustainable management of its supply chain, implementing policies and practices aimed at maintaining a fair and balanced relationship with its suppliers, with special attention to small and medium-sized companies. An essential part of this commitment is to ensure punctuality in payments, establishing as a general rule that any delay in meeting legal deadlines is only due to specific incidents related to the delivery of products or the provision of contracted services. In these cases, Grupo SANJOSE assumes the financial costs involved, complying with the terms agreed upon in its contracts and respecting current regulations.

In this regard, Grupo SANJOSE's usual payment terms are determined by Law 15/2010, of July 5, 2010, and its amendments, which establish a maximum payment term of 30 days for commercial transactions, extendable to 60 days when contractually agreed between the parties.

To calculate the average payment period, the methodology established in the ICAC Resolution of 29 January 2016 has been followed, which establishes that trade payables for supplies of goods or services included under "Suppliers" and "Sundry creditors" on the current liabilities side of the consolidated balance sheet are considered to be suppliers. The effective payment date corresponds to the time when the creditor has the capacity to dispose of the funds. Likewise, the SANJOSE Group has not considered the balance of payments made to companies domiciled abroad, since these transactions are outside the scope of Spanish law.

During the year 2024, no legal proceedings have been opened for late payments.

Table 63. Days of payment to suppliers

Payment practices	2024	2023
The average number of days the company takes to pay an invoice from the date on which the contractual or legal payment period starts to be calculated.	31	43
Number of legal proceedings currently pending due to payment delays.	0	0

c. Preventing and detecting corruption and bribery

CSRD - G1-3 // Law 11/2018 - Fight against corruption and bribery

In order to facilitate the reading of this document, this disclosure requirement is presented together with the information on practice parameters of confirmed cases of Corruption and Bribery (G1-4).

Grupo SANJOSE has a comprehensive system for preventing, detecting, and addressing possible cases of corruption or bribery, based on the Organisational and Management Model for the Prevention of Crimes.

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Integrated into this framework, the Code of Conduct and the Anti-Corruption Policy of Grupo SANJOSE, both of which are mandatory, are fundamental pillars of this model. These documents establish the ethical principles that should guide the activity of all employees, managers, and directors, regardless of the country in which they operate or the type of activity they perform. Both the Code and the Anti-Corruption Policy strictly prohibit all forms of corruption, including bribery and misconduct in business relationships, and define a rigorous control framework that reinforces an environment of integrity and accountability.

To facilitate their access and promote their dissemination, these documents are publicly available on the Group's website (www.gruposanjose.biz), allowing employees, business partners and third parties to be aware of them and to adhere to these ethical values in their contractual relations with the Group. They are also shared in the Welcome Manual with all new hires.

In the area of money laundering prevention, Grupo SANJOSE strictly adheres to current regulations, prohibiting any action related to the acquisition, conversion, or transfer of assets of illicit origin. To ensure adequate control and application of these measures, the Group has implemented internal supervisory protocols that include specific procedures for control and limitation of powers. These protocols require different levels of approval within the organisation depending on the type of supplier or contract volume, thus establishing effective barriers to prevent irregularities.

Functions of the Supervisory Authority and reporting to the administrative, management and supervisory bodies

The application and effectiveness of the Crime Prevention Model are supervised by the Supervisory Body, which reports directly to the Board of Directors and operates independently. This body is composed of five members appointed by the Board of Directors for a minimum term of one year. Its members are chosen from internal staff with a multidisciplinary character that guarantees a complete vision of the reality of Grupo SANJOSE.

The Oversight Body includes the key figure of the Compliance Officer, who leads investigations and ensures that review processes are conducted objectively and impartially. The functions of the Oversight Body include continuously reviewing and updating the model, promoting its dissemination throughout the organisation and overseeing ethics and compliance training activities.

The Supervisory Body meets at least once a year to review criminal risk prevention activities and propose improvements in its Annual Report. This report details the activities carried out in the past year under the Model, assesses the effectiveness of the Code of Conduct and the Anti-Corruption Policy, and proposes necessary adjustments to optimise the crime prevention system, in line with the Group's commitment to continuous improvement. In addition, the Body meets whenever a relevant circumstance arises that warrants review or modification of the Model.

Complaints Channel

As part of its functions, the Oversight Body also manages the Whistleblowing Channel, a confidential tool that allows employees, managers and third parties to securely report any suspicion of corruption or non-compliance. The whistleblowing procedure in the Internal Reporting System is organised in four main phases:

1. Receipt of the complaint. Reports may be submitted by e-mail or by interview with the Compliance Officer. They may be anonymous or with a reserved identity, guaranteeing the confidentiality of the informant, accessible only to the Supervisory Body, external professionals if necessary, and relevant judicial or administrative authorities. Upon receipt, the report is registered and assigned a code in a restricted access system.
2. Formal admission. A check is made as to whether the complaint meets the minimum requirements for investigation, according to the Whistleblower Protection Act. If they are not met, the complaint is archived or the whistleblower is informed so that he/she can correct the complaint.
3. Processing. The Compliance Officer directs the investigation, requesting additional evidence

and collecting statements from those involved and witnesses, always maintaining the confidentiality of the complainant's identity. The accused is guaranteed the right to know the facts attributed to him and to present his defence, preserving both his confidentiality and his rights. The investigation has a maximum period of three months, which may be extended in situations of particular complexity.

4. Resolution. At the conclusion of the investigation, the Compliance Officer issues a report that may result in the complaint being closed, referred to the Public Prosecutor's Office in the case of possible criminal offences, and/or forwarded to the Board of Directors and, in cases of financial or accounting irregularities, also to the Audit Committee.

The Data Protection Policy of the Internal Information System and the Internal Information System and Whistleblower Protection Policy guarantee the protection of individuals and their information, taking into account the sensitivity of these channels. Grupo SANJOSE establishes operational tools and processes to ensure the protection of those who detect and report infractions, as well as the identity and rights of the persons under investigation. Among other measures:

- Respect for anonymity or confidentiality of complainants and investigated persons.
- Appropriate protection measures and prohibition of reprisals.
- The right to present allegations for the clarification of the facts under investigation and the exercise of the rights of defence

In addition to this formal Whistleblowing Channel, the Group manages the incidents reported through other channels, such as the Group's corporate website and the general communication channel, detailed in point 1.1.3.b) of this report.

To support regulatory compliance and operational control, Grupo SANJOSE uses a corporate ERP system that allows for comprehensive monitoring of financial information and business resources. This system is key to the Group's internal control, facilitating the integrity and accuracy of records and enabling early detection of possible irregularities or non-compliance.

Compliance training

As a preventive measure, *compliance* training is one of the cornerstones of the Group's commitment to regulatory compliance. The Group has a mandatory training programme covering five key elements of its Crime Prevention Model: the Code of Conduct, the Anti-Corruption Policy, the Supervisory Body, the Whistleblower Channel and the applicable Disciplinary Regime. This training is reinforced on an ongoing basis, enabling all employees, management and administrative staff to remain up to date and aware of their ethical and regulatory responsibilities.

During the first half of 2024, Grupo SANJOSE expanded this training to include the new provisions of Law 2/2023, on the protection of informants and the fight against corruption, and Organic Law 10/2022 on the comprehensive guarantee of sexual freedom, ensuring that staff are prepared to operate under the highest standards of ethics and responsibility.

In June 2024, a training course was held for 180 managers from the Group's different companies, who are considered the most vulnerable personnel in terms of corruption and bribery (4% of the total workforce). This training was given by the law firm Martinez Echevarría, which is externally responsible for advising and verifying compliance with the corporate policy. In addition, the training has been made available to 100 % of the workforce via email and the employee portal.

In a complementary manner, Grupo SANJOSE has partially transferred to the insurance market the risks derived from possible bad management practices or acts of infidelity on the part of its own personnel, managers and administrative staff, thus mitigating the financial risk of these situations.

Confirmed cases of corruption or bribery

CSRD - G1-4

During the financial year 2024, there have been no complaints and therefore no intervention by the

Authority has been necessary in relation to the following areas:

- Urban planning offences.
- Environmental crime.
- Corruption offences and transnational bribery.
- Offences of bribery of public officials.
- Influence peddling offences.
- Offences against workers' rights.
- Offences of discovery and disclosure of secrets.
- Hacking offences.
- Fraud offences.
- Market price manipulation offences.
- Insider trading offences.
- Money laundering offences.
- Offences against the Treasury.
- Offences of breaches of accounting obligations and misrepresentation of financial information.
- Offences of altering prices in public tenders and auctions.
- Offences of re-dissemination of sexting.

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05 Annex.

Annex 1. Correspond ence with reporting requirements

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ANNEXES

5.1. Correspondence with the requirements of Law 11/2018

Requirements Law 11/2018		Content
GENERAL ASPECTS		
Business model	Description of the business model	21-26
	Geographical presence	22-23
	Organisational objectives and strategies	24, 27
	Main factors and trends	33-35
Materiality	Materiality	39-41
Management approach	Policies applied by the Group	53-54
	Results of these policies	60-61 67-68 70 83-87 120-121 125-126 130 128-140
	The main risks	32-35, 53-54
ENVIRONMENT		
Environmental management	Current and foreseeable effects of the company's activities on the environment and, where appropriate, on health and safety.	36
	Environmental assessment or certification procedures	55, 133
	Resources for the prevention of environmental risks	63
	Application of the precautionary principle	19
Pollution	Measures to prevent, reduce or remediate carbon emissions and air pollution	54-56
Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste	71-73
	Actions to combat food waste	Non-material
Sustainable use of resources	Water consumption and supply	74
	Consumption of raw materials	74
	Direct and indirect energy consumption	57
	Measures taken to improve energy efficiency	55
	Use of renewable energies	57
Climate change	Greenhouse gas emissions	59
	Measures adopted to adapt to the consequences of climate change	51
	Voluntary reduction targets	There are no set targets
Biodiversity protection	Measures to preserve or restore biodiversity	69-70
	Impacts caused by activities or operations in protected areas	70
LABOUR		
Employment	Total number and distribution of employees by gender, age, country and occupational classification	112-115, 98

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Requirements Law 11/2018		**Content**
	Total number and distribution of types of employment contracts, average annual number of permanent contracts, temporary contracts and part-time contracts by sex, age and occupational classification	115-117
	Number of redundancies by gender, age and occupational classification	118
	Average remuneration and evolution broken down by gender, age and occupational classification or equal value	103
	Wage gap, the remuneration for equal or average jobs in society	102
	Average remuneration of directors (including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments) broken down by gender.	Available in the Corporate Governance Report
	Average executive remuneration (including variable remuneration, allowances, indemnities, payments to long-term savings schemes and any other payments) broken down by gender.	Available in the Corporate Governance Report
	Implementation of work disengagement policies	90
	Employees with disabilities	103-104
-Work organisation	Organisation of working time	90
	Number of absence hours	96
	Measures aimed at reconciling work and family life and promoting co-responsibility	92
Health and safety	Health and safety conditions	93-95
	Number of accidents by gender	96
	Frequency rate by sex	96
	Severity rate by sex	96
	Occupational diseases by gender	96
Social relations	Organisation of social dialogue	92-93
	Percentage of employees covered by collective bargaining agreements by country	93
	Taking stock of collective agreements, particularly in the field of occupational health and safety at work	93-95
Training	Policies implemented in the field of training	105-106 87-88
	Hours of training by professional category.	107
Universal accessibility for people with disabilities		103-104
Equality	Measures taken to promote equal treatment and opportunities for women and men	97-103
	Equality plans, measures to promote employment, protocols against sexual harassment and gender-based harassment	90, 100-101
	Integration of people with disabilities	103-104
	Anti-discrimination and, where appropriate, diversity management policy	86-87
HUMAN RIGHTS		
Information on respect for human rights	Implementation of human rights due diligence procedures	18, 108, 120
	Preventing the risks of human rights violations and measures	
	Complaints of human rights violations	108
	Promotion and implementation of the provisions of the ILO core conventions	108
	Elimination of discrimination in respect of employment and	108

GRUPO SANJOSE

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Requirements Law 11/2018		Content
	occupation	
	Elimination of forced or compulsory labour	120-121
	Effective abolition of child labour	
CORRUPTION AND BRIBERY		
Information relating to the fight against corruption and bribery	Measures taken to prevent corruption and bribery	140-145
	Measures to combat money laundering	
	Contributions to foundations and non-profit organisations	129
SOCIETY		
Company commitments to sustainable development	Impact on employment and local development	128-130
	Impact of the company's activity on local populations and the territory	
	Relationships with local community actors and the modalities of dialogue with them	29-32
	Partnership or sponsorship actions	128-130
Subcontracting and suppliers	Inclusion of social, gender equality and environmental issues in the procurement policy.	141-142
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	
	Monitoring and audit systems and results	
Consumers	Consumer health and safety measures	131-136
	Complaint systems	31
	Complaints received and resolution	31
Tax information	Country-by-country benefits	27
	Taxes on profits paid	
	Public subsidies received	

ANNEXES

5.2. CSRD disclosure requirements covered

Thematic standard	Disclosure Requirement and page	Thematic standard	Disclosure Requirement and page
N/A	• Taxonomy Regulations - p. 43-49	**S1 - Own employees**	• SBM-2 - page 29 • SBM-3 - p. 83 • S1-1 - p. 84 • S1-2 - page 88 • S1-3 - page 89 • S1-4 - page 90 • S1-5 - p. 108 • S1-6 - page • S1-8 - page 95 • S1-9 - page 98 • S1-10 - page 92 • S1-12 - page 104 • S1-13 - page 107 • S1-14 - page 96 • S1-15 - page 91 • S1-16 - page 102 • S1-17 - page 108

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ANNEXES

5.3. Sources and methodologies used

Carbon footprint calculation

To calculate the carbon footprint of Grupo San José, the following sources of emission factors have been used, which are grouped into categories based on ISO 14064:

Category 1: Direct GHG emissions and removals

Fixed combustion

- MITERD (based on IPCC Sixth Assessment Report)
- DEFRA (Department for Environment, Food & Rural Affairs)

Mobile combustion

- MITERD (based on IPCC Sixth Assessment Report)

Category 2: Indirect GHG emissions caused by imported energy

Imported electricity

- Red Eléctrica Española
- IEA (International Energy Agency)

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- MITERD (based on IPCC Sixth Assessment Report)

Category 3: Indirect GHG emissions caused by transportation

Journeys in itinere

- DEFRA (Department for Environment, Food & Rural Affairs)
- Own factor Valora Consultores.
- OCCC (Catalan Office for Climate Change)

Business Travel

- DEFRA (Department for Environment, Food & Rural Affairs)

Category 4: Indirect GHG emissions caused by products used by the organisation

Goods and services

- MITERD (based on IPCC Sixth Assessment Report)
- DEFRA (Department for Environment, Food & Rural Affairs)
- Ecoinvent v.10

Capital goods

- DEFRA (Department for Environment, Food & Rural Affairs)

Indirect emissions from imported electricity

- DEFRA (Department for Environment, Food & Rural Affairs)
- IEA (International Energy Agency)

Solid and liquid waste disposal

- DEFRA (Department for Environment, Food & Rural Affairs)
- OCCC (Catalan Office for Climate Change)

IEA (International Energy Agency)

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Don Juan Amor Fernández, Traductor-Intérprete Jurado de inglés, nombrado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español.

I the undersigned Juan Amor Fernández, sworn translator for the English Language, duly appointed by the Ministry for Foreign Affairs, European Union and Cooperation, do hereby certify that the foregoing is a true and faithful translation of the original Spanish document hereunto attached.

Águilas (Murcia) Spain, 26th February 2025

JUAN AMOR FERNÁNDEZ
Traductor-Intérprete Jurado
Alemán, Inglés, Italiano,
Portugués, Catalán
Número 132

AENOR

Verification Report

to

GRUPO EMPRESARIAL SAN JOSE, S.A

in relation to the consolidated non-financial and sustainability reporting
"**ESTADO DE INFORMACIÓN NO FINANCIERA 2024**"
under the Law 11/2018 and the Directive (EU) 2022/2464
corresponding to the fiscal year ending on December 31, 2024.

In Madrid on February 27, 2025

Rafael García Meiro
CEO

LIMITED VERIFICATION REPORT ON THE STATE OF THE CONSOLIDATED NON-FINANCIAL AND SUSTAINABILITY REPORTING

To the Board of Directors of the **GRUPO EMPRESARIAL SAN JOSE, S.A.:**

"LIMITED" VERIFICATION CONCLUSION

AENOR has carried out the verification, in accordance with the Law 11/2018, under a limited level of assurance of the Consolidated State of Non-Financial Reporting (hereinafter, SNFR) corresponding to the fiscal year ending on December 31, 2024 of the GRUPO EMPRESARIAL SAN JOSE, S.A. and subsidiary companies that are part of the consolidated management report of the Group (hereinafter, the body), which is included in Section "Nota 9" of the management report.

The content of the SNFR includes reporting additional to that required by the current legislation in terms of non-financial reporting. Namely, it includes the Sustainability Reporting corresponding to the fiscal year ending on December 31, 2024 (hereinafter, information on sustainability) prepared by the body, in compliance with the Directive (EU) 2022/2464 on Corporate Sustainability Reporting (CSRD). Said sustainability reporting has been verified under a limited level of assurance.

Based on the proceedings carried out, and on the evidence that we have obtained, nothing has come to our attention that might suggest the following:

a) The body's State of Non-Financial Reporting corresponding to the fiscal year ending on December 31, 2024 has not been prepared, in all material respects, in accordance with the contents of the current legislation and following the selected criteria of the European Sustainability Reporting Standards (ESRSs), as well as the other criteria described in accordance to what is included for every subject matter in Table Anexo 1 "5.1 Correspondence with the requirements of Law 11/2018" of said State;

b) The Sustainability Reporting has not been prepared as a whole in all material respects, in accordance with the applicable sustainability reporting framework identified in the attached Note "1.1.1. Basis for elaboration" on sustainability reporting, including:

- That the description provided on the process to identify the sustainability reporting included in Note "1.1.1. Basis for elaboration" on sustainability reporting is coherent with the implemented process, and that it allows for the identification of material information to be disclosed based on the ESRS requirements;
- Compliance with the ESRSs;
- Compliance with the disclosure requirements, included in Subsection "2.1. Introduction to the EU Taxonomy regulation" in the section on environment and sustainability reporting, with the contents of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

BASES FOR THE CONCLUSION

AENOR has carried out the verification assignment under a limited level of assurance, in accordance with the governing regulations of the applicable verification activity in Spain. The extension of the procedures applied in a verification assignment with a limited level of assurance is less in comparison with the ones required in a reasonable verification assignment. As a consequence, the safety degree obtained in a verification assignment with a limited level of assurance is less than the safety degree that would have been obtained had a reasonable safety assignment been carried out.

Our responsibilities, in accordance with such regulation, are further described in the Section "Responsibilities of the verifier of our report."

AENOR acts as an independent verification body and complies with the requirements of independence and other ethical requirements, which are applicable based on the requirements of the governing regulation of the sustainability reporting verification activity, and which are based on the fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality, and professional behavior.

AENOR has a quality management system that ensures compliance with the governing regulations of the sustainability reporting verification activity regarding the quality control based on ISO/IEC 17029:2019. It requires the individual verifier/the verifying company to design, implement and operate a quality management system which includes policies and procedures related to the compliance of the ethical, professional rules and legal requirements, as well as to the applicable legislation.

We consider that the evidence that we have obtained is enough and appropriate to provide a base for our conclusion.

OTHER MATTERS

- This is the first year that sustainability information has been reported under CSRD.

RESPONSIBILITIES OF THE ADMINISTRATORS AND OF THE AUDIT COMMISSION IN RELATION TO THE SUSTAINABILITY REPORTING

The GRUPO EMPRESARIAL SAN JOSE, S.A. Administrators will be responsible for the formulation of the SNFR included in the body's consolidated management report, as well as for the content thereof. The SNFR has been prepared on the basis of the contents included in the current legislation and following the selected ESRS criteria, as well as other criteria described in accordance with what has been mentioned for each subject matter in Table "del Anexo 1 "5.1. Correspondence with the requirements of Law 11/2018" of said State.

This responsibility likewise includes design, implementation, and maintenance of the internal control deemed necessary to allow for the SNFR to be free from material misstatements, due to fraud or error.

The administrators of GRUPO EMPRESARIAL SAN JOSE, S.A are also responsible for the definition, implementation, adaptation and maintenance of the management system from which the necessary information is obtained in preparation of the SNFR.

In relation to the sustainability reporting, the body's administrators are responsible for developing and implementing a process to identify the information to be included in the sustainability reporting, in compliance with the contents of the CSRD, the ESRSs, and the provisions set forth in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, and to disclose information on this process in the sustainability reporting itself in Note "1.1.2. a)The role of administrative, management and supervisory bodies (CSRD – ESRS 2 - GOV)". Said responsibility includes:

- Knowing the context in which these activities and business relations of the body are developed, as well as its stakeholders, in relation to the impacts that the body has on people and the environment;
- Identifying the real and potential impacts (both negative and positive), as well as the risks and opportunities that might affect, or which may be reasonably expected to affect, the financial situation, the financial results, the cash flows, the access to funding, or the cost of equity of the body in the short, medium and long term;
- Assessing the materiality of the identified impacts, risks and opportunities;
- Carrying out hypothesis and estimates that are reasonable depending on the circumstances.

The administrators are likewise responsible for preparing the sustainability reporting, which includes information identified by the process, in accordance with the applicable sustainability reporting framework, including compliance with the ESRSs, the disclosure requirements, and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

Said responsibility includes:

- Designing, implementing and keeping the internal control that the administrators deem relevant to allow for the preparation of the sustainability reporting which is free from material misstatements, due to fraud or error;
- Selecting and applying appropriate methods for the sustainability reporting presentation, and the conduction of reasonable assumptions and estimates, taking into account the circumstances on specific disclosures.

The audit commission is responsible for supervising the drafting and presentation of the sustainability reporting.

INHERENT LIMITATIONS IN THE PREPARATION OF SUSTAINABILITY REPORTING

In accordance with the ESRSs, the body's administrators are obliged to prepare prospective information on the basis of assumptions and hypothesis, which shall be included in the sustainability reporting, on facts that may happen in the future, as well as possible future actions which the company could take, where appropriate. The real result may substantially differ from the one estimated, given that it refers to the future, and future events do not generally happen as expected.

In order to determine sustainability reporting disclosures, the body's administrators shall interpret the legal and other terms which are clearly defined, and which may be interpreted otherwise by other people, including the legal conformity of such interpretations and, as a consequence, are subject to uncertainty.

VERIFIER'S RESPONSIBILITIES

AENOR's goals are to plan and carry out the verification assignment, so as to obtain a limited security on whether the SNFR and the sustainability reporting are free from material misstatements, due to fraud or error, and issue a verification report with a limited level of assurance, which contains our conclusions thereto.

Misstatements may be due to fraud or error, and they are considered to be material when, individually or in an aggregated manner, they may be reasonably expected to affect the decisions that the users, to whom the verification report is addressed, make based on such information.

As part of this verification assignment with limited level of assurance, we apply our professional judgement and keep an attitude of professional skepticism throughout the whole assignment. We likewise:

- Design and apply procedures to assess whether the process to identify the information included both in the SNFR and in the sustainability reporting is consistent with the description of the process followed by the body and allows, where appropriate, to identify the material information that will be disclosed based on the ESRS requirements;
- Apply procedures about risk, including the understanding of the relevant internal controls for the assignment, so as to identify the information to be disclosed, where material misstatements are more likely to arise, due to fraud or error, but not with the aim of providing a conclusion on the efficiency of the body's internal control;
- Design and apply procedures that respond to the disclosures included both the SNFR and in the sustainability reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is greater than in the case of a material misstatement due to error, since fraud may imply collusion, counterfeit, deliberate omissions, intentional misclassifications, or the avoidance of the internal control;
- Provide the body's audit commission with a statement of compliance with the ethical requirements regarding independence, and we have contacted them to inform about those matters that may reasonably entail a threat to our independence and, where appropriate, about the safeguard measures adopted to eliminate or reduce the threat.

SUMMARY OF THE CONDUCTED WORK

A limited verification assignment includes the conduction of procedures to obtain evidence, which can be a basis for our conclusions. The nature, time of performance and extension of the selected procedures depend on the professional judgement, including the identification of the information to be disclosed, since material misstatements are likely to arise, due to fraud or error, in the sustainability reporting.

Our work has focused on putting questions down to the Management, as well as to the different units and components of the GRUPO EMPRESARIAL SAN JOSE, S.A., which have participated in the drafting of the sustainability reporting, on the process reviews to gather and check the information provided in the sustainability reporting, and on the application of hundreds of certain analytical procedures and sample review evidence, which are described below:

Regarding the SNFR verification process:

- Meetings with the body's staff to understand the business model, the applied policies and management approaches, the main risks related to those aspects, and to obtain the necessary information for the external review;
- Scope, importance and integrity analysis of the contents included in the 2024 SNFR, based on the materiality analysis carried out by the body and described in Section "1.1.3. c) Impacts, risks and

opportunities: results of the dual materiality analysis (CSRD - ESRS 2 – SBM3)", taking into account those contents required under the current legislation;

- Analysis of the procedures to gather and validate the data presented in the 2024 SNFR;
- Information review regarding risks, policies and managements approaches applied in relation to the material aspects presented in the 2024 SNFR;
- Verification, through evidence, based on the selection of a sample, of the information on the contents included in the 2024 SNFR and its proper compilation from the data provided by the information sources.

Regarding the verification process of sustainability reporting:

- Interviews with the staff of the GRUPO EMPRESARIAL SAN JOSE, S.A:

  ○ *To understand the business model, the applied policies and management approaches, the main risks related to those aspects, and to obtain the necessary information for the external review;*

  ○ To understand the origin of the information used by the Management (e.g., the interaction with the stakeholders, the business plans and the strategy documents), and the review of internal documentation of the body on its procedure.
- To obtain information, through interviews with the body's staff, of the gathering, validation and presentation of information procedures conducted by the body to draft its sustainability reporting;
- Assessment of the consistency of the evidence obtained from our procedures on the process implemented by the body–in order to establish the information that shall be included in the sustainability reporting, together with the process description included in Note "1.1.3. c) Impacts, risks and opportunities: results of the dual materiality analysis (CSRD - ESRS 2 – SBM3)", and the assessment of whether such process implemented by the body allows for the identification of material information to be revealed, according to the SNFR requirements;
- Assessment of whether all the information identified in the process implemented by the body for the establishment of the information that must be included in the sustainability reporting has been actually included;
- Assessment of consistency of the structure and presentation of the sustainability reporting with the provisions of the ESRSs and the rest of the regulatory framework of sustainability reporting applied per body;
- Conduction of inquiries to the relevant staff and analytical procedures on the information disclosed in the sustainability reporting, taking into account the information where material misstatements are likely to arise, due to fraud or error;
- Conduction of substantive sampling procedures on the disclosed information in the selected sustainability reporting, taking into account the information where material misstatements are likely to arise, due to fraud or error;
- Obtention, where appropriate, of the reports issued by accredited independent third parties, which are annexed to the management report in response to the demands of the European legislation. Moreover, in relation to the mentioned information and in accordance with the verification standard,

examination exclusively of the verifier's accreditation, and of the fact that the issued report scope corresponds to the one required by the European legislation;

- Obtention, where appropriate, of the documents containing the information incorporated by reference, of the reports issued by auditors or verifiers on such documents. Moreover, in accordance with the verification standard, examination of exclusively the fact that the conditions described in the ESRSs that allow for the inclusion of information by reference in the sustainability report are met in the document referred to by the information incorporated by reference;
- Obtention of a representation letter by the Management and the administrators of the body in relation to the SNFR and the sustainability reporting.

OTHER INFORMATION

The body's People in charge of governance are responsible for the remaining information, which includes the consolidated annual statements, and the rest of information included in the management report. However, it does not include the audit report of the annual statements, nor the verification reports issued by accredited, independent third parties requested by the EU legislation on specific disclosures included in the sustainability reporting, and which are attached as an annex in the consolidated management report.

This verification report does not cover the rest of the information, and we do not express any type of verification conclusion thereof.

In relation to our assignment to verify the sustainability reporting, our responsibility is to read the previously identified information and, in that way, consider whether the other information has material inconsistencies with the sustainability reporting or with the knowledge we have acquired during the verification assignment, which may point to the existence of material misstatements in the sustainability reporting.

AENOR CONFÍA S.A.U.

Name of the signatory verifier (lead verifier)

Francisco Manuel BERMEJO FERRERO

Date of the verification report

February 27, 2025

C/ GÉNOVA 6, 28004 MADRID (SPAIN)

ANNUAL CORPORATE GOVERNANCE REPORT
LISTED COMPANIES

ISSUER'S IDENTIFICATION DETAILS

Financial year-end date: 31/12/2024

TAX Id. # A-36046993

Company Name:

GRUPO EMPRESARIAL SAN JOSÉ, S.A.

Registered office:

ROSALIA DE CASTRO 44, BAJO (PONTEVEDRA)

ANNUAL CORPORATE GOVERNANCE REPORT
LISTED COMPANIES

A. CAPITAL STRUCTURE

A.1 Complete the following table on the share capital and voting rights attributed, including, where applicable, those corresponding to shares with loyalty voting rights, at the end of the financial year:

Indicate whether the company's articles of association contain provision for dual loyalty voting:

[ ] Yes
[√] No

Date of last change	Share capital (Euros)	Number of shares	Number of voting rights
27/06/2008	1,950,782.49	65,026,083	65,026,083

Please state whether there are different classes of shares with different associated rights

[ ] Yes
[√] No

A.2 Disclose the direct and indirect holders of significant shareholdings on the reporting date, including directors with a significant shareholding:

Name of shareholder	Voting rights attached to shares		% of voting rights through financial		% of total voting rights
	Direct	Indirect	Direct	Indirect	
MR JACINTO REY GONZÁLEZ	24.95	23.34	0.00	0.00	48.29
MS MARIA VIRTUDES SÁNCHEZ AVALOS	4.73	0.00	0.00	0.00	4.73
MS JULIA SÁNCHEZ AVALOS	7.44	0.00	0.00	0.00	7.44
MR JUAN VILLALONGA NAVARRO	1.93	0.00	0.00	0.00	1.93

Breakdown of the indirect holding:

Name of indirect shareholder	Name of direct shareholder	% of shares carrying voting rights	% of voting rights through financial instruments	% of total voting rights
N.A.				

State the most significant shareholder structure changes during the year:

Most significant movements
The shareholder Ms María José Sánchez Ávalos in 2023 reduced her shareholdings below 3%. In 2024 she has continued to reduce her holdings, currently she is the holder of approximately 0.85% of the company capital.

A.3 Give details of the shareholdings, by whatever percentage, at year-end of the members of the board of directors who hold voting rights attributed to shares in the company or through financial instruments, excluding the directors identified in section A.2 above:

Name of director	Voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	Of the total voting rights attached to the shares, indicate, if applicable, the % of additional votes attached to the shares that correspond to loyalty voting shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR ROBERTO ÁLVAREZ ÁLVAREZ	0.28	0.00	0.00	0.00	0.28	0.00	0.00
MR RAMON BARRAL ANDRADE	0.17	0.00	0.00	0.00	0.17	0.00	0.00
MR JACINTO REY LAREDO	0.33	0.00	0.00	0.00	0.33	0.00	0.00
MR JOSÉ MANUEL OTERO NOVAS	0.03	0.00	0.00	0.00	0.03	0.00	0.00
MR ENRIQUE MARTIN REY	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	49.10

Director Mr Enrique Martin Rey has 152 company shares, representing 0.00000157%, since the percentage is very small, it is too low to be included in the application.

Breakdown of the indirect holding:

Name of director	Name of direct shareholder	Voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	Of the total voting rights attached to the shares, indicate, if applicable, the % of additional votes attached to the shares that correspond to loyalty voting shares
N/A					

Give details of the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors	57.39

A.4 If applicable, state any family, commercial, contractual, or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, except those that are reported in Section A.6:

Name of related party	Nature of	Brief description
MS JULIA SANCHEZ AVALOS, MS MARÍA VIRTUDES SÁNCHEZ ÁVALOS	Family	These two holders of a significant amount of shares are sisters.

A.5 If applicable, state any commercial, contractual, or corporate relationships that exist between significant shareholders and the company and/or group, unless they are insignificant or arise in the ordinary course of business:

Name of related party	Nature of	Brief description
N.A.		

A.6 Describe the relationships, unless insignificant for the two parties, which exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of legal-person directors.

Explain, as the case may be, how the significant shareholders are represented. Specifically, state those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders and/or companies in its group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of directors, or their representatives, as the case may be, of the listed company, who are, in turn, members of the Board of Directors or their representatives of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
MR JACINTO REY GONZÁLEZ	PINOS ALTOS XR, S.L.	GRUPO EMPRESARIAL SAN JOSÉ, S.A.	Mr Jacinto Rey González is majority shareholder of Pinos Altos XR, S.L.
MR JACINTO REY LAREDO	MR JACINTO REY GONZÁLEZ	GRUPO EMPRESARIAL SAN JOSÉ, S.A.	First-degree family relationship, father, and son
MR ENRIQUE MARTIN REY	MS MARIA JOSÉ AND JULIA SÁNCHEZ AVALOS	GRUPO EMPRESARIAL SAN JOSÉ, S.A.	Mr Enrique Martín Rey is the brother-in-law of Ms Julia Sánchez Avalos and the nephew by marriage of Ms María José and Ms Virtudes Sánchez Ávalos
MR JAVIER REY LAREDO	MR JACINTO REY GONZÁLEZ	GRUPO EMPRESARIAL SAN JOSÉ, S.A.	First-degree family relationship, father, and son

A.7 State whether the company has been notified of any shareholders' agreements that may affect it, in accordance with Articles 530 and 531 of the Ley de Sociedades de Capital ("Corporate Enterprises Act" or "LCC"). If so, describe these agreements and list the party shareholders:

[ ] Yes
[√] No

State whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

[ ] Yes
[√] No

If any of the aforementioned agreements or concerted actions have been modified or terminated during the year, please specify expressly:

The Company is not aware of the existence of any covenants or agreements between shareholders.

A.8 State whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Ley de Mercados de Valores ("Spanish Securities Market Act" or "LMV"). If so, please identify them:

[√] Yes
[ ] No

Name or company name
JACINTO REY GONZÁLEZ

A.9 Complete the following table with details of the company's treasury shares:

At the end of the financial year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
		0.00

(*) Through:

Name of direct shareholder	Number of direct shares
NA	

A.10 Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares:

On 30 March 2021, the AGM authorised the board for the derivative acquisition of treasury shares of the company, directly or through entities controlled by it, and for the acceptance of treasury shares as collateral or other form of guarantee, in accordance with the applicable legislation in each case and subject to the following limits and requirements:

• Modalities of the acquisition: acquisition by title of sale or by any other inter vivo act for consideration.
• Maximum number of shares to be acquired: a number such that the par value of the shares to be acquired, added to those owned by both the company and any of its controlled companies, does not exceed 10% of the company's capital stock.
• Minimum and maximum acquisition price: the minimum acquisition price of the shares will be equal to 75% of their listed value on the acquisition date, and the maximum price will be 120% of their listed value on that same date.
• Duration of the authorisation: five years as from 30 March 2021.
• Use of authorisation: the board of directors will make use of this authorisation in the terms established by the internal regulations of the applicable code of conduct of the company in force at that time.
• Possible delivery of shares to workers or executives: the board of directors is empowered to allocate, totally or partially, the treasury shares acquired to remuneration programmes intended to or involved in the delivery of shares or stock option rights, in accordance with the provisions of section1 a) of article 146 of the Capital Companies Act.

In the event that a pledge, collateral, or guarantee is constituted on treasury shares and the same will be executed, limits and requirements applicable in accordance with the applicable regulations and the present agreement for the acquisition of treasury shares, where appropriate, will be fulfilled.

The board may delegate this authorisation in favour of any other person that it expressly empowers for this purpose.

A.11 Estimated free-floating capital:

	%
Estimated free-floating capital	36.80

A.12 State whether there are any restrictions (article of associations, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, state the existence of any type of restriction that may inhibit a takeover attempt of the company through acquisition of its shares on the market, and those regimes for the prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

[ ] Yes
[√] No

A.13 State if the shareholders have resolved at a meeting to adopt measures to neutralise a take-over bid pursuant to the provisions of Act 6/2007.

[ ] Yes
[√] No

If so, please explain the measures approved and the terms under which such limitations would cease to apply:

A.14 State if the company has issued shares that are not traded on a regulated EU market.

[ ] Yes
[√] No

If so, please list each type of share and the rights and obligations conferred on each:

B. ANNUAL GENERAL MEETING

B.1 State whether there are any differences between the quorum established by the Law on Capital Companies (LCC) for General Shareholders' Meetings and those set by the company and if so, describe them in detail:

[ ] Yes
[√] No

B.2 State whether there are any differences in the company's manner of adopting corporate resolutions and the manner for adopting corporate resolutions described by the LCC and, if so, explain:

[ ] Yes
[√] No

B.3 State the rules for amending the company's Articles of Association. In particular, state the majorities required for amending the Articles of Association and any provisions in place to protect shareholders' rights in the event of amendments to them.

In order for the shareholders' meeting to be able to resolve on the increase or reduction of capital and any other amendment of the articles of association, the issue of bonds, the abolition or limitation of the right of pre-emptive acquisition of new shares, as well as the conversion, merger, demerger or global transfer of assets and liabilities and the transfer of the registered office abroad, the attendance, at first call, of shareholders present or represented by proxy holding at least 50% of the subscribed share capital with voting rights is required.

On second call, the attendance of 25% of such capital will be sufficient, although, when shareholders representing less than 50% of the subscribed share capital with voting rights are present or represented, the resolutions referred to in this paragraph may only be validly adopted with the favourable vote of two-thirds of the share capital present or represented at the meeting.

These provisions are contained in Articles 17 and 21 of the Articles of Association and Articles 14 and 21 of the Meeting Regulations.

B.4 Give details of attendance at General Shareholders' Meetings held during the year of this report and the two previous years:

	Attendance data				
Date of General Meeting	% physically present	% present by proxy	% distance vote		Total
			Electronic voting	Other	
30/03/2021	49.24	20.02	0.00	0.00	69.28
Of which, free-floating:	0.28	1.35	0.00	0.00	1.63
30/03/2022	49.13	19.29	0,00	0,00	68.42
Of which, free-floating:	0.34	0.52	0,00	0,00	0.86
20/04/2023	49.56	18.65	0.28	0.17	68.66
Of which, free-floating:	0.47	6.47	0.28	0.17	7.39
18/04/2024	49.75	16.67	0.02	0.37	66.81

	Attendance data				
Date of General Meeting	% physically present	% present by proxy	% distance vote		Total
			Electronic voting	Other	
Of which, free-floating:	0.83	4.33	0.02	0.37	5.55

The AGM for year 2024 was held in person with the possibility of remote attendance, so the data on physical presence includes both physical presence and remote attendance accredited during the holding of the meeting through the platform that the company made available to the shareholders.

B.5 State whether any point on the agenda of the General Shareholders' Meetings during the year has not been approved by shareholders for any reason.

[ ] Yes
[√] No

B.6 State if the Articles of Association contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or on distance voting:

[√] Yes
[ ] No

Number of shares required to attend General Meetings	100
Number of shares required for distance voting	100

B.7 State whether it has been established that certain decisions other than those established by law exist that entail an acquisition, disposal, or contribution to another company of essential assets or other similar corporate transactions that must be subject to the approval of the General Shareholders' Meeting:

[ ] Yes
[√] No

B.8 State the address and manner of access to the page on the company website where one may find information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website:

All information on Corporate Governance is available on the Company's website (www.gruposanjosé.biz), under the section "Shareholders & Investors", within the subsection "Corporate Governance".

C. COMPANY ADMINISTRATIVE STRUCTURE

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the Articles of Association and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	5
Number of directors set by the general meeting	12

C.1.2 Please complete the following table on directors:

Name of director	Representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MR JOSÉ LUIS GONZALEZ RODRIGUEZ		Executive	CEO	25/06/2020	18/04/2024	RESOLUTION AGM
MS MARÍA JOSÉ ALONSO FERNÁNDEZ		Independent	DIRECTOR	20/04/2023	20/04/2023	RESOLUTION AGM
MR ROBERTO ÁLVAREZ ÁLVAREZ		Other external	DIRECTOR	27/06/2008	30/03/2022	RESOLUTION AGM
MR RAMÓN BARRAL ANDRADE		Independent	INDEPENDENT COORDINATORE	27/02/2014	30/03/2022	RESOLUTION AGM
MR JACINTO REY GONZÁLEZ		Executive	CHAIRMAN & CEO	18/08/1987	30/03/2022	RESOLUTION AGM
MR JACINTO REY LAREDO		Executive	VICE CHAIRMAN	30/10/2006	30/03/2022	RESOLUTION AGM

Name of director	Representative	Director category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MR JOSÉ MANUEL OTERO NOVAS		Independent	DIRECTOR	28/08/2014	20/04/2023	RESOLUTION AGM
MS AMPARO ALONSO BETANZOS		Independent	DIRECTOR	17/12/2020	30/03/2021	RESOLUTION AGM
MR ENRIQUE MARTIN REY		Proprietary	DIRECTOR	28/06/2013	20/04/2023	RESOLUTION AGM
MS ALTINA DE FÁTIMA SEBASTIAN GONZALEZ		Other External	DIRECTOR	27/06/2008	30/03/2022	RESOLUTION AGM
MR JAVIER REY LAREDO		Executive	SECOND VICE-PRESIDENT	28/06/2012	30/03/2022	RESOLUTION AGM
MR NASSER HOMAID SALEM ALI ALDEREI		Other External	DIRECTOR	17/12/2015	18/04/2024	RESOLUTION AGM

Total number of directors	12

State if any directors, whether through resignation, dismissal, or any other reason, have left the Board during the period subject to this report:

Director	Director category at time of leaving	Date of last appointment	Date director left	Specialised committees of which he/she was a member	Indicate whether the director left before the end of the term
N/A					

C.1.3 Complete the following tables regarding the members of the Board and their categories:

EXECUTIVE DIRECTORS

Name of director	Post in organisational chart of the company	Profile
MR JOSÉ LUIS GONZALEZ RODRIGUEZ	CEO	Degree in Economics from the University of Santiago de Compostela, with a master's in financial management and international trade from ESEUNE University and Berkeley. He has developed his professional career in different companies belonging to Grupo SANJOSÉ. He joined in 1999 in the commercial area. Since this date, he has held and held positions of strategic responsibility in the Company, assuming the General Management of the Group. At the end of 2015, he was appointed General Manager of Grupo Empresarial San José and in 2020 CEO.
MR JACINTO REY GONZÁLEZ	Chairman & CEO	Chairman Grupo SANJOSÉ (Company listed on the Spanish Stock Exchange) Chairman Carlos Casado S.A. (Company listed on the Buenos Aires and New York Stock Exchange) Previously he has been a member of different boards of directors: Banco Simeón, Banco Caixa General, among others.
MR JACINTO REY LAREDO	Vice Chair	He graduated in Law from the Complutense University of Madrid and has a certificate in European Law from San Pablo CEU University. Mr Jacinto Rey Laredo majored in International Law at the University of Columbia, in Communication by the New York University School of Continuing Education and participated in a management development programme (PADE) at the IESE. Almost all his professional career has been within Grupo SANJOSÉ. He is currently the Deputy-chairman of the Group and the Chairman of SANJOSÉ Constructora.
MR JAVIER REY LAREDO	Second Vice Chair	Diploma in Business Science by the European University of Madrid. Postgraduate studies by IED in Top Management He has developed his entire professional career within companies of Grupo SANJOSÉ. Current positions: Deputy to the Chairman and CEO of Grupo SANJOSÉ, Member of the Board of SANJOSÉ Constructora, Executive Chairman of Comercial Udra, Director Carlos Casado S.A. Previous professional experience: Chairman of SANJOSÉ Desarrollos Inmobiliarios, responsible for the domestic and international management (Douro Atlántico Galicia S.L. and Douro Atlántico S.A. in Portugal), Member of the Board of Comercial Udra. Domestic and international management, Managing Director of SANJOSÉ Constructora, Branch office of Galicia, Management Director of C&C, regional construction, rehabilitation, and conservation company in Galicia.

Total number of executive directors	4
Percentage of the Board	33.33

PROPRIETARY DIRECTORS

Name of director	Name of a significant shareholder who they represent or who has proposed their appointment	Profile
MR ENRIQUE MARTIN REY	MS MARIA JOSÉ AND JULIA SÁNCHEZ AVALOS	Graduate in Business Science from the Complutense University of Madrid (1993 - 1999), MBA from the Escuela de Negocios Caixanova (2000) and Master Programme in Banking and Finance by the ISTP Banking School (2009). He is the Business Manager and Corporate Business Development Manager of Carrión S.A. Establecimiento Financiero de Crédito. Where he has developed his professional career since 2005, after having worked as strategic counsellor for the Instituto Tecnológico de Galicia (ITG) and for LKS Consultores (Grupo Mondragon SCoop).

Total number of proprietary directors	1
Percentage of the Board	8.33

INDEPENDENT EXTERNAL DIRECTORS

Name of director	Profile
Ms MARIA JOSÉ ALONSO FERNANDEZ	Professor of the Department of Pharmacy and Pharmaceutical Technology at the University of Santiago de Compostela (USC). Throughout her scientific career she has worked at prestigious universities such as the University of Paris South (1986-87) and the Massachusetts Institute of Technology (MIT) (1991-92). Since 1987 he has led a pioneering research group in Spain in the field of nanomedicine and bioengineering at the USC. He has mainly worked on the design of new drug and vaccine delivery systems and on the knowledge of their biological behaviour. With regard to its transfer activity to the industrial sector, this activity has focused on its collaboration with 15 medium and large pharmaceutical companies, as well as numerous start-ups, through its involvement in innovative research projects and in the licensing of patents. Moreover, the translational nature of its research activity is in line with its participation as inventor in 22 patent families (77 patents in different countries), most of them generated in collaboration with industry or licensed. She is also directly involved as co-promoter of spin-off companies such as "Advancell", "Smart Vitamins" and "Libera Bio", the latter being the result of an acceleration process promoted by the European Commission (Nanomedicine Translation Advisory Board), as well as the commitment of the Xunta de Galicia through the IGNICIA Valorisation Programme. The company "Libera Bio" has received numerous national and international awards, including two awards from the National Cancer Institute, NCI, in the United States (AIM HI Accelerator Found and Salisbury Award). Ms. María José has led and participated in the coordination of several international scientific associations, including her multiple positions in the Controlled Release Society (CRS) Inc. for more than 10 years, culminating in her presidency of the society (2018-20). She has also been a member of technology platforms such as the European Technology Platform on Nanomedicine, Nanofuture and the Spanish Nanomedicine Platform and of several collaborative networks (Galenos -Erasmus Mundus, Nanofar -Erasmus Mundus, Nabba -Marie Curie, Cost-Nanotheranostics). She is currently on the editorial board of 12 international impact journals and is editor-in-chief of the official journal of the CRS, the Journal of Drug Delivery and Translational Research (DDTR). She and her team have received numerous research awards from scientific associations, scientific journals, and foundations. These include the "Rey Jaime I" Award in the new technologies category, the "Novoa Santos" Award, the "Maurice Maria Janot" award of the International Association of

	Pharmaceutical Technology (APGI), the "Founders Award", the "Outstanding Service Award" and the "Outstanding Service Award", "Outstanding Service Award and Women in Sciences Award of the international Controlled Release Society (CRS), the Medal of the General Council of Pharmacists Associations, as well as the Josefa Wonenburger Award, the Castelao Medal awarded by the Xunta de Galicia, the Medal of Merit in Research and University Education, in its Silver category, which was awarded by the Xunta de Galicia, and the Medal of Merit in Research and University Education, in its Silver category, which was awarded by the Xunta de Galicia. in its Silver category, awarded by the Spanish Government at the proposal of the Ministry of Science and Innovation, the Burdinola Research Prize, awarded by Burdinola, the Honorary Prize for Excellence in Scientific Research, awarded by the AstraZeneca Foundation, the Juan de la Cierva National Research Prize in the area of Technology Transfer 2021, awarded by the Ministry of Science and Innovation, the "ASEICA Women and Science 2022" prize awarded by the Spanish Association for Cancer Research. She is a Full Member of the Royal Academy of Pharmacy of Galicia, the Royal National Academy of Pharmacy, and the Royal Galician Academy of Sciences. She is a member of the National Academy of Medicine of the United States (NAM) (there are only two resident academicians in Spain) and of the Académie Royale de Médicine de Belgique. She is a Fellow of the American Institute for Medical and Biological Engineering (AIMBE) and holds an Honorary Doctorate from the University of Nottingham. Finally, she has been involved in science management and policy through her responsibility as Vice-Rector for Research and Innovation at the University of Santiago de Compostela (2006-10). She has also advised the Ministry of Science and Technology (MICINN) on the drafting of the Law on Science, Technology, and Innovation; she has been a member of the Advisory Board of the Ministry of Health; she has been a board member of the Bankinter Foundation of Innovation; and she currently sits on the advisory boards of several panels, universities, and research centres.
MR RAMÓN BARRAL ANDRADE	Economist Professor at the School of Higher Business Studies of A Coruña, Bachelor of Economic and Business Sciences and Censor Jury of Accounts (promotion 1976). In the professional career of MR Ramón Barral, he emphasises his work in sundry positions of responsibility at Banco Simeon until becoming General Director (1995 - 2003), member of the Mixed Commission for State transfers - Xunta de Galicia (1977 - 1979), Professor of the Middle Management School in the Chamber of Commerce of Pontevedra. Editorial Galaxia advisor. Special attention should be given to the important and lasting collaboration of MR Ramón Barral with Grupo SANJOSÉ throughout its history, until becoming an advisor and chairman of the audit commissions and appointments, remuneration and good governance of the Group.
MR JOSÉ MANUEL OTERO NOVAS	Professional Lawyer: Law Degree, Extraordinary Award. He entered by Opposition in the Body of State Lawyers in 1967. He entered by Opposition Contest in Inspectors of the Services of the Ministry of Economy and Finance in 1974. He practiced State Advocacy in the Province of Lugo, in the National Court, and finally in the Supreme Court. Also, the Inspection of the Services of the Ministry of Finance, in several tasks. He has been -and still is- Counsellor, or

	sometime President, of several companies, among which stand out: Cepsa, Grupo SANJOSÉ, Banco Exterior de España, and foreign subsidiaries, Gescafix., Euro Transfac, Unión Inversora Internacional. International Technical Union, The Union and the Phoenix, AGF Unión Fénix Seguros y Reaseguros, Transfesa (Including Presidency) and Transfesa UK, International Real Estate Union, Gran Alacant, Costa Canaria Veneguera, Northwest Corporation, Cementos Cosmos, Society for the Development of Galicia (SODIGA), Vocal Executive Committee and Board of Directors of the Independent Business Confederation of Madrid (CEIM). Social: It has been for the maximum statutory periods Vocal (and Vice President) of the Board of Trustees of the San Pablo CEU University Foundation and of the San Pablo College. President of the Institute of Studies of Democracy of the San Pablo University-CEU. Since 1997, he has been a member of the Social Sciences Jury of the Prince of Asturias Awards every year. Honours: Knight Grand Cross of three Spanish Orders, Carlos III, Isabel the Catholic, and Alfonso X the Wise. Knight Grand Cross of the Order of the Lion of Finland; Idem of the Order of Merit of the Italian Republic; and Idem of the Order of Merit of the Republic of Peru. Gold Medal of the Ibero-American Organization for Education, Science and Culture. Gold Medal of the San Pablo University Foundation.
Ms AMPARO ALONSO BETANZOS	Degree in Chemistry, major in Industrial Chemistry (1984) and PhD in Physics (1988), with an extraordinary award, from the University of Santiago de Compostela. She has been a Postdoctoral Fellow at the Medical College of Georgia, USA (1988-90), where she worked on the development of expert systems for medical applications. Later on, she has worked both in the development of artificial intelligence applications in sundry areas (Environment, Health, Industry 4.0, etc.), as in the development of machine learning algorithms. She is currently a professor at the University of A Coruña (UDC) since 2002 in the area of Computer Science and Artificial Intelligence, where since 1990 she coordinates the LIDIA group (Laboratory of R + D in Artificial Intelligence), which belongs to the CITIC (Centre of Research in Information and Communication Technologies). She is currently commissioner of the UDC for the development of the Artificial Intelligence node of the City of ICT in A Coruña (2019). She has been vice dean and Erasmus coordinator (1999-2005), director of the Department of Computing (2007-09), coordinator of the Intelligent Systems Specialty of the master's in computer science (2006-07) and coordinator of the Master's Degree in Bioinformatics for Health Sciences (2016-17), at the Faculty of Informatics of the UDC. She received in 1998 the L'Oréal-UNESCO Prize for Women in Science in Spain, the Galicia ICT Prize for Digital Innovation in 2004, and the Galicia Prize ICT to Professional Career in 2019. President of the Spanish Association of Artificial Intelligence since 2013, and member of the "Reserve List" of the High-Level Expert Group on Artificial Intelligence (AI HLG) of the European Commission since 2018. She has participated as member of the GTIA, Working Group on Artificial Intelligence, of the Ministry of Science, Innovation and Universities (MINCIU), which collaborated in the drafting of the Spanish Strategy for R & D & I in Artificial Intelligence presented in 2018. He is currently a member of the Group of Work on the role of official Statistics in Data Administration and Management (Data Stewardship), as well as she as a member of the Artificial Intelligence Advisory Council of the Government of Spain. She is also Senior Member of the IEEE and ACM professional

Total number of independent directors	4
Percentage of the Board	33.33

State whether any independent director receive from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

In this case, include a statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of director	Description of the relationship	Statement of the Board
N/A		

OTHER EXTERNAL DIRECTORS			
Please identify other external directors and explain why they are not deemed to be proprietary or independent, and their relationship with the company, executives, and shareholders:			
Name of director	**Reasons**	**Company, director, or shareholder to whom the director is related**	**Profile**
MR NASSER HOMAID SALEM ALI ALDEREI	He is a shareholder of San José Contracting, LLC and Tecnocontrol Contracting, LLC, companies owned by Grupo San José companies.	SAN JOSÉ CONTRACTING LLC	Businessman, Commander in the reserve of the Army of the United Arab Emirates. CEO of Gulf Connection. Business consultant / service provider located in Abu Dhabi and with a presence in the United Arab Emirates, which provides support to international companies that intend to establish themselves in their region of influence, an area that due to its growth and financial strength represents an attractive market and great business opportunities for companies in international expansion. This company brings its experience in the strategic planning of implementation, definition of the market of action and of the main objectives. Executive Chairman of New Art. Company specializing in interior design and operating in the United Arab Emirates, Qatar, and Morocco. Currently New Art is part of Gulf Connection. General Director of SANJOSÉ Contracting L.L.C., an Emirati company specializing in all types of construction projects. Local agent / partner of several companies, among which stand out: SANJOSÉ Constructora Lane Middle East Contracting, CPC, Crane Middle East, PMK Consultant, Dal Riada.

MS ALTINA DE FÁTIMA SEBASTIÁN GONZÁLEZ	Ms. Altina Fatima Sebastian was appointed director by first time on 27.06.2008 The article 529 4.i establishes that in no case may be considered independent directors those who have been directors for a continuous period of more than 12 years. For this reason, the Member Ms. Altina Fatima Sebastian changes category from Independent to Other External	GRUPO EMPRESARIAL SAN JOSÉ, S.A	Degree in Economics and Business Administration from the Catholic University of Lisbon, Doctor of Business and Business Management from IESE and she has completed a post-doctorate at Harvard Business School. She is currently a Non-Executive Director, Member of the Audit Committee and Chairman of the Governance Committee of Caixa Geral de Depósito, the largest Portuguese bank, Independent Director of Banco Caixa Geral (former Banco Simeón), Chairman of the Audit and Compliance Committee and Chairman of the Appointments and Remuneration Committee (2003 - October 2019 date of the sale of the Bank to Abanca), Director and Member of the Audit Committee of Grupo Empresarial San José, a company listed on the Madrid Stock Exchange, Member of the Expansión Advisory Board and Economic News and Councilor of the Diaspora of the Portuguese Republic - World Portuguese Network.

			In addition, she has been an Independent Director, Chairman of the Audit Committee of the Instituição Financeira de Desenvolvimento, bank specialised in financing to SMEs, and Counselor, Chairman of the Audit Committee of Parquesol, a listed company on the Madrid Stock Exchange, and Founding Partner of the AB Research and Diagnostic & Solutions Consultants. She has recently been appointed by the Commission Nacional del Mercado de Valores, member of the jury of the 2019 Antonio Moreno Espejo Journalism Award. In the academic field, she is a professor in the Department of Financial Administration and Accounting of the Complutense University Madrid and Visiting Professor at the Portuguese Catholic University. Her teaching experience is focused on training for executives in the banking sector in Spain, Portugal, Angola, Mozambique, and Ecuador. She has posted seven books and more than one hundred articles in the economic press and magazines specialized in Banking and Finance.
MR ROBERTO ALVAREZ ALVAREZ	MR Roberto Álvarez Álvarez was appointed director for the first time on 27.06.2008 The article 529k 4.i establishes that members who have been acting as directors for a continuous period of more than 12 years will not be considered as independent directors. For this reason, the Director MR Roberto Álvarez Álvarez changes category from Independent to Other External	GRUPO EMPRESARIAL SAN JOSÉ S.A.	Business Administration for Directors by the Catholic University of Argentina, expert in Capital Markets Dean Witter (New York),

			Technician in Foreign Trade and specialised in Futures Trading at the London School of Economics. In addition to his distinguished career as Director of Grupo SANJOSÉ, highlights his experience in sundry companies: Director and Partner of Casa de la Bolsa Aldazabal and Cia. founded in 1980, Vice President of Carlos Casado, Director of Mapfre Argentina since year 2000, Board Member of the Stock Exchange of Commerce of Buenos Aires and representative thereof for relations with Spain, Director of Metrogas -company controlled by Repsol- (2002 - 2008), Director of the Boldt Group, Director of Banco Caudal (1989 - 1992), Vice President of the AA of the Museum of Modern Art and Vice President of the Athletic Club San Lorenzo de Almagro

Total number of other external directors	3
Percentage of the Board	25.00

State any changes in status that have occurred during the period for each director:

Name of director	Date of change	Previous Status	Current status
N/A			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past 4 years, as well as the category of each:

	Number of female directors				% of directors for each category			
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2023	FY 2022	FY 2021	FY 2020
Executive					0.00	0.00	0.00	0.00
Proprietary					0.00	0.00	0.00	0.00
Independent	2	2	1	1	50.00	50.00	33.33	33.33
Other	1	1	1	1	33.33	33.33	33.33	33.33
Total	3	3	2	2	25.00	25.00	18.18	18.18

C.1.5 State whether the company has diversity policies in relation to the Board of Directors of the company on such questions as age, gender, disability and training and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Accounts Audit Act, will have to report at least the policy they have implemented in relation to gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

Should this be the case, describe these diversity policies, their objectives, the measures, and way in which they have been applied and their results over the year. Also state the specific measures adopted by the Board of Directors and the appointments and remuneration committee to achieve a balanced and diverse presence of directors.

In the event that the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been implemented, including results achieved

El The Board of Directors of Grupo Empresarial San José, S.A. agreed in 2016 on its director selection policy through which the transparency of the director selection process is deemed essential within its corporate governance strategy.

Likewise, corporate regulations on directors establish, among others, the following principles, and objectives:

- Maximum attention to people, to the quality of their working conditions, equality, and training.
- Respect for diversity through a policy of equal opportunities, as well as human and professional development.
- Information transparency policy.

The management of the human resources of Grupo San José is inspired by the ethical codes of equal opportunities, cultural diversity, internal promotion of the best and demand for values such as merit, ability, involvement, responsibility, perseverance, commitment, and honesty.

These commitments should inspire all the policies of selection, promotion, and access to training, compensation, and work/life balance within Grupo San José .

Any form of discrimination within Grupo San José is strictly forbidden (be it for reasons of ethnicity, race or national origin, sex, sexual identity, or orientation, for reasons of gender, illness, religion, political option, social origin, or disability).

Through a public, specific and verifiable policy, it is ensured that the proposals for appointment or re-election are based on a prior analysis of the needs of the board of directors, while at the same time favouring the diversity of knowledge, experiences, and gender in its composition.

The board of directors will choose candidates who meet the qualities and aptitudes for their appointment, with the advice and report of the appointments and remuneration committee. An adequate balance will be sought in order to enrich decision-making and provides plural points of view to the debate on matters within its competence.

The Appointments and Compensation Commission will also ensure that the selection procedures do not suffer from implicit biases that may imply any discrimination and, in particular, facilitate the selection of female directors. In this sense, in addition to promoting the diversity of knowledge and experience in the board, the policy of selecting directors will ensure that in a few years the number of female directors represents at least 30% of the total number of board members.

The proposal for the appointment or re-election of the members of the board of directors corresponds to the Appointments and Compensation Commission, in the case of independent directors, and to the board itself in all other cases.

Said proposal will be accompanied in any case by a report on the competence, experience, and merits of the proposed candidate. The Appointments and Compensation Commission will assess the skills, knowledge and experience required for the board of directors. For this purpose, it will define the functions and aptitudes necessary to be fulfilled in each vacancy and assess the time and dedication necessary to perform the tasks effectively.

C.1.6 Describe the measures, if any, agreed upon by the appointments committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, and which makes it possible to achieve a balance between men and women. Indicate whether the company takes measures to boost the presence of women on senior executive positions.

Explanation of measures

The company maintains its objective of seeking to increase the number of female directors on the board of directors in order to achieve a more balanced presence of men and women as vacancies arise.

However, as mentioned in section C.1.5 above, when proposing new directors, the Appointments commission primarily assesses the qualities and aptitudes of the directors and their performance on the board of directors, in order to achieve an adequate balance in the composition of the board.

In other words, in the selection of directors, the Appointments commission scrupulously respects gender diversity, although it gives priority to the needs demanded by the company at any given time and, consequently, the experience and knowledge of the person proposed as director.

In the event that there are few or no female directors in spite of any measures adopted, please explain the reasons that justify such a situation:

Explanation of reasons

The most recent appointment of a director took place at the 2023 AGM, with the approval of the appointment of a third female director in the person of Ms María José Alonso Fernández.

In the future, the company plans to continue to increase the number of female directors and senior managers with sufficient experience and expertise to contribute to the development of its business in compliance with the policy of non-discrimination on the grounds of sex established in its CSR documentation and in the approved director selection policy.

It should be highlighted that among those people who hold a senior management post (seven in total), three of them are women, and our company therefore complies with the established percentage (40%) to incentivise the minimum presence of the least represented sex in senior management.

C.1.7 Describe the conclusions of the appointments committee regarding verification of compliance with the selection policy for directors in order to promote an adequate composition of the members of the Board of Directors.

The Appointments Committee has applied during 2024. the same criteria as in previous years for the appointment of directors.

The criteria used are based on policies devoted to searching for and recruiting candidates who best meet our requirements in terms of suitable competence, knowledge and experience to undertake the role entrusted to them, ensuring equality through the policies governing its actions and promoting the company's growth in different fields.

In 2024 no new directors have been appointed, only two directors were re-elected when their appointments expired.

C.1.8 If applicable, please explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name of shareholder	Reason
N/A	

State whether the Board has failed to meet any formal requests for membership from shareholders whose equity interest is equal to or higher than that of others at whose request proprietary directors have been appointed. If this is the case, please explain why the aforementioned requests were not met:

[ ] Yes
[√] No

C.1.9 State the powers delegated by the Board of Directors, as the case may be, to directors or board committees:

Name of director or committee	Brief description
JACINTO REY GONZÁLEZ	As joint and several CEO of Grupo Empresarial San José he has all the powers delegated by the Board except for those, which by law, cannot be delegated.
JOSÉ LUIS GONZALEZ RODRÍGUEZ	As joint and several CEO of Grupo Empresarial San José he has all the powers delegated by the Board except for those, which by law, cannot be delegated.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or officers in other companies in the group of which the listed company is a member:

Name of director or committee	Name of the Company	Position	Does the director have executive powers?
MR JOSÉ LUIS GONZALEZ RODRÍGUEZ	GSL SOLUTIONS	Sole director	Yes
MR JOSÉ LUIS GONZALEZ RODRÍGUEZ	Constructora San JOSÉ Colombia, sas	Liquidator	Yes
MR JOSÉ LUIS GONZALEZ RODRÍGUEZ	Fotovoltaica el gallo, 10, S.L.	Sole director	Yes
MR JOSÉ LUIS GONZALEZ RODRÍGUEZ	Poligeneración parc del alba, st4, S.A.	Sole director	Yes

Name of director or committee	Name of the Company	Position	Does the director have executive powers?
MR JOSÉ LUIS GONZALEZ RODRÍGUEZ	Comercial Udra SAU	Director	No
MR JOSÉ LUIS GONZALEZ RODRÍGUEZ	Pinar Villanueva SA	Joint director	No
MR JOSÉ LUIS GONZALEZ RODRÍGUEZ	Sanjosé maroc, SARLAU	Joint and several director	Yes
MR JOSÉ LUIS GONZALEZ RODRÍGUEZ	Sociedad consesionaria San JOSÉ – tecnocontrol, SA	Director	Yes
MR ROBERTO ÁLVAREZ ÁLVAREZ	Carlos Casado	Deputy Chairman	No
MR ROBERTO ÁLVAREZ ÁLVAREZ	Tecnoartel	Director	No
MR JACINTO REY GONZÁLEZ	San José Peru SAC	Chairman	Yes
MR JACINTO REY GONZÁLEZ	San José Contracting LLC	General Manager	Yes
MR JACINTO REY GONZÁLEZ	San José Constructora Peru, S.A.	Chairman	Yes
MR JACINTO REY GONZÁLEZ	Inmobiliaria 2010, S.A.	Chairman	Yes
MR JACINTO REY GONZÁLEZ	Carlos Casado, S.A.	Chairman	Yes
MR JACINTO REY GONZÁLEZ	Sociedad concesionaria San José Tecnocontrol	Chairman	Yes
MR JACINTO REY GONZÁLEZ	San José Tecnologías Perú, SAC	Chairman	Yes
MR JACINTO REY GONZÁLEZ	Inmobiliaria Americana de Desarrollos Urbanísticos SAU	Sole Director	Yes
MR JACINTO REY GONZÁLEZ	Desarrollos Urbanísticos Udra, S.A.	Sole Director	Yes
MR JACINTO REY LAREDO	Udra Obras Integrales	Chairman	Yes
MR JACINTO REY LAREDO	SJB Mullroser Baugesellshaft MBH	Joint and several Director	Yes
MR JACINTO REY LAREDO	San José BAU GmbH	Sole Director	Yes
MR JACINTO REY LAREDO	Constructora Udra Lda	Sole Director	Yes
MR JACINTO REY LAREDO	San José Construction Group	Sole Director	Yes
MR JACINTO REY LAREDO	Constructora San José, S.A.	CEO	Yes

Name of director or committee	Name of the Company	Position	Does the director have executive powers?
MR JACINTO REY LAREDO	San José France, S.A.	Sole Director	Yes
MR JACINTO REY LAREDO	Constructora San José Cabo Verde, S.A.	Director	Yes
MR JACINTO REY LAREDO	Udra México, S.A. CV	Chairman	Yes
MR JAVIER REY LAREDO	Constructora San José representaçao em Portugal	Legal representative	Yes
MR JAVIER REY LAREDO	San José Concesiones y Servicios	Sole Director	Yes
MR JAVIER REY LAREDO	Carlos Casado, S.A.	Director	Yes
MR JAVIER REY LAREDO	Tecnoartel	Chairman	Yes
MR JAVIER REY LAREDO	Centro Comercial Panamericano	Chairman	Yes
MR JAVIER REY LAREDO	Inmobilaria sudamericana de desarrollos urbanísticos	Chairman	Yes
MR JAVIER REY LAREDO	Constructora San José, S.A.	Director	Yes
MR JAVIER REY LAREDO	Comercial Udra, S.A.	Chairman & CEO	Yes
MR JAVIER REY LAREDO	Cadena de Tiendas SAU	Sole Director	Yes
MR JAVIER REY LAREDO	Constructora San José representaçao em Portugal	Legal representative	Yes

C.1.11 List any directors or representatives of legal person-directors of your company who are members of the Board of Directors of other companies listed on the official securities markets other than group companies, and have communicated that status to the Company:

Name of director	Name of listed company	Post
MR ROBERTO ÁLVAREZ ÁLVAREZ	Bolsa de Comercio de Buenos Aires	DIRECTOR
MR ROBERTO ÁLVAREZ ÁLVAREZ	Fundación Bolsa de Comercio (Argentina)	OTHER
MR ROBERTO ÁLVAREZ ÁLVAREZ	Aldazabal y Cia (Casa de Bolsa)	DIRECTOR
MR ROBERTO ÁLVAREZ ÁLVAREZ	Udra Argentina, S.A.	DIRECTOR
MR RAMON BARRAL ANDRADE	Editorial Galaxia, S.A.	DIRECTOR
MR RAMON BARRAL ANDRADE	Barral e Fillos, S.L.	MEMBER
MR JACINTO REY GONZÁLEZ	Udra Argentina, S.A.	CHAIRMAN – CEO
MR JACINTO REY GONZÁLEZ	Pinos Altos de Argentina, S.R.L.	JOINT AND SEVERAL DIRECTOR
MR JACINTO REY GONZÁLEZ	Pinos Altos XR, S.L.	SOLE DIRECTOR

MR JOSÉ MANUEL OTERO NOVAS	Patronato Fundación San Pablo CEU	PATRON
MS AMPARO ALONSO BETANZOS	SOCIEDADE PARA O DESENVOLVEMENTO DE PROXECTOS ESTRATÉXICOS DE GALICIA, S.L..	DIRECTOR
MS AMPARO ALONSO BETANZOS	Asociación Española de Inteligencia Artificial	CHAIRWOMAN
MR ENRIQUE MARTIN REY	Financiera Carrión, S.A.	OTHER
MS, ALTINA DE FATIMA SEBASTIAN	Caixa Geral de Depositos	DIRECTOR

The position of Independent Director that Ms Amparo Alonso Betanzos holds in the SOCIEDADE PARA O DESENVOLVEMENTO DE PROXECTOS ESTRATÉXICOS DE GALICIA, S.L. is a position for which she only receives an allowance to attend board meetings.

The position of Director of Mr Roberto Álvarez in the company Aldazabal y CIA (Brokerage House) is remunerated.

The position held by Mr Enrique Martín Rey in Financiera Carrión is remunerated.

State, if applicable, other remunerated activities of the directors or representatives of the directors, whatever its nature, other than those indicated in the previous table.

Identification of the member or representative	Other remunerated activities
MR JOSÉ MANUEL OTERO NOVAS	A practising lawyer
MS AMPARO BETANZOS ALONSO	University Professor at the Universidade da Coruña
MS ALTINA DE FATIMA SEBASTIAN GONZÁLEZ	Complutense University of Madrid – Graduate Professor, and Master University of Barcelona – graduate consultant Professor training members of the boards of directors of rural banks and saving banks, all these are remunerated activities.

Ms Amparo Alonso Betanzos is a paid university professor at the Universidade da Coruña.

Mr José Manuel Otero Novas' role as a lawyer is remunerated.

C.1.12 State whether the company has established rules on the number of boards on which its directors may hold seats, providing details if applicable, identifying, where appropriate, where this is regulated:

[ ] Yes
[√] No

C.1.13 State total remuneration received by the Board of Directors:

Board remuneration in financial year (thousand euros)	3799
Amount of funds accumulated by current directors through long-term savings schemes with vested economic rights (thousands of euros)	-
Amount of funds accumulated by current directors for long-term savings schemes with non-consolidated economic rights (thousands of euros)	-

Amount of funds accrued by former directors through long-term savings schemes (thousands of euros)	-

C.1.14 Identify senior management staff who are not executive directors, and their total remuneration accrued during the year:

Name	Position
MR JOSÉ ANTONIO SÁNCHEZ DE ROJAS PANFIL	Director of Consolidation and in-house control
MR JUAN ARESES VIDAL	Director General of Civil Works Constructora San José
MS CRISTINA GONZÁLEZ LÓPEZ	Tax Director
MS ESTELA AMADOR BARCIELA	HR Director
MR JOSÉ MIGUEL VALCARCEL ARMESTO	Building procurement director Constructora San José
MR FRANCISCO RAMIREZ SAN EMETERIO	Production director Constructora San José
MS LOURDES FREIRÍA BARREIRO	Director general of insurance
No. of women in senior executive positions	3
% of total senior executives	42.86
Total senior management remuneration (thousand euros)	1317

C.1.15 State whether the Board's rules were amended during the financial year:

[√] Yes
[ ] No

Description of amendments

In order to update the regulations of the Board of Directors to adapt them to the new features introduced by Technical Guide 1/2024 on Public Interest Audit Committees in the amendment of 27 June 2024, the Board of Directors agreed to amend the regulations governing them in the following terms:

Article 16.- Powers of the audit committee.

(b) Supervise the effectiveness of the Company's internal control, internal audit, and financial and non-financial risk and the control management systems relating to the Company and the group, - including operational, technological, legal, social, environmental, sustainability, political and reputational or corruption-related risks. This includes reviewing compliance with regulatory requirements, the appropriate ring fencing of the consolidated accounting requirements and the correct application of accounting criteria, as well as discussing with the auditor any significant weaknesses of the internal control system detected while carrying out the audit.
(c) Establish a communication channel with the management of the risk control and sustainability departments, and with the main verifier responsible for sustainability.
(d) Request that the verifier attend committee meetings on a regular basis, and in particular always where there has been publication data regarding sustainability, without them taking part in the deliberation and voting phases.
(e) Supervise internal control on the approach to calculating key sustainability indicators (KPIs).
(f) Oversee the process of preparing and presenting mandatory financial and non-financial information.
(h) Designate the verifier for sustainability information and set the applicable standards for their selection, draft a statement of independence, and arrange communication channels between the Committee and the verifier.
(i) Establish an appropriate relationship with the external auditor and the verifier to receive information on any issues arising that may pose a risk to their independence and any other matters related to the process of carrying out the audit of accounts. Also to address any other communication processes provided for in the legislation on auditing accounts and auditing standards. In any case, it must receive annually from the external auditors and the verifier a declaration of their independence regarding the entity or entities directly or indirectly linked to it,

as well as any information about additional services, of any kind, provided and the corresponding fees received from these entities by the external auditor, or by the persons or entities related to it, in accordance with the provisions of the legislation on auditing accounts.
(j) Issue annually, prior to issuing the accounts audit report, a report expressing an opinion on the independence of the auditor and the verifier. This report must contain, in every case, an assessment of the provision of the additional services referred to in the paragraph above, considered individually and overall, other than the statutory audit and in relation to the independence regime or the regulations governing auditing.
(k) To report on the related-party transactions to be approved by the general meeting or the board of directors and to oversee the internal procedure set by the company for those who have delegated their powers of approval. To this end, the Committee may request expert reports to assess whether the transaction is fair and reasonable, and regularly review the list of transactions carried out under the delegation regime during the period, where appropriate with the internal audit, with an individual assessment of the most relevant transactions.
(n) Establish and oversee a mechanism allowing employees and other persons linked to the Company, such as directors, shareholders, suppliers, contractors or subcontractors and financial investors, associations and communities affected, to report any potentially significant irregularities, including financial and accounting irregularities, or irregularities of any other nature, related to the company that they have detected within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the accused.
(q) Ensure that the remuneration the external auditor and the verifier receive for their work does not compromise their quality or independence.

Article 18.- Role of the Appointments, Remuneration, and Good Governance Committee.

(h) To propose to the board the definition of sustainability strategies, plans, policies, and objectives, and to evaluate the progress and degree of progress regarding said sustainability plans and objectives.

C.1.16 Specify the procedures for selection, appointment, re-election, and removal of directors: the competent bodies, steps to follow and criteria applied in each procedure.

Members of the board of directors are appointed by the shareholders' meeting or, in the event of an early vacancy, by the board itself by co-optation.

Proposals for the appointment or re-election of board members are made by the Appointments and Remuneration Committee in the case of independent directors, and by the board itself in all other cases. The proposal will be submitted together with a report on competence, excellence and merits of the member which will be attached to the Minutes for the General Meeting or the Meeting of the Board.

Proposals for the appointment or reappointment for members other than independent members will be backed up by a report from the Appointments, Compensation and Corporate Governance Committee. The Appointments, Compensation and Corporate Governance Committee will assess the quality of the work performed.

The board of Directors includes proprietary, independent, executive, and other external members.

Proprietary and independent members should be a majority regarding executive members due to the complexity of the Group and the participation percentage of the executive members in the company’s capital.

Independent members should be well known professionals with sound experience and competence.

C.1.17 Explain how the annual evaluation of the Board has given rise to significant changes in its internal organisation and to procedures applicable to its activities:

Description of changes

As a result of the self-assessment of the Board of Directors, no changes to the internal organisation and procedures applicable to its activities have been identified, as necessary.

Describe the evaluation process and the departments assessed by the Board of Directors with the help, if any, of external advisors, regarding the function and composition of the board and its committees and any other area or aspect that has been evaluated.

Description of the assessment process and the departments assessed

The Appointments, Compensation and Corporate Governance Committee has carried out an assessment of the role of the board and its committees, as a result of which it noted that these committees work normally and satisfactorily and therefore it did not deem it necessary to make any changes regarding the conclusions reached in the self-assessment carried out in previous years.

The outcome of this assessment has been communicated to the board of directors, which has agreed with its conclusion.

C.1.18 Describe, in those years in which the external advisor has participated, the business relationships that the external advisor or any group company maintains with the company or any company in its group.

Not applicable.

C.1.19 State the situations in which directors are required to resign.

According to Article 25 of the Board of Directors Regulations, Directors will resign from their posts upon expiration of the period for which they were appointment for, whenever decided by the General Meeting or when incurring into a legal reason for such resignation.

Members of the Board will place their post at the dismissal of the Board of Directors and resign whenever incurring into prohibitions established by the Companies Act and any other legal applicable provisions.

The board of directors will not propose the removal of any independent director before the expiry of the term of office established in the bylaws for which he/she was appointed, except where just cause is found by the board following a report from the Appointments, Remuneration and Corporate Governance Committee. In particular, just cause will be understood to exist when the director has failed to comply with the duties inherent to his/her office. The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate transactions entailing a change in the structure or distribution of the company's capital.

C.1.20 Are any qualified majorities other than those established by law required for any specific decision?

[ ] Yes
[√] No

If so, please explain.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, to be appointed as chairman of the Board of Directors:

[ ] Yes
[√] No

C.1.22 State whether the Articles of Association or the Board Rules establish any limit as to the age of directors:

[ ] Yes
[√] No

C.1.23 State whether the Articles of Association or the Board Rules establish any term limits for independent directors or other more stringent requirements in addition to those established by law:

[ ] Yes
[√] No

C.1.24 State whether the Articles of Association or Board Rules establish specific rules for granting proxies to other directors at Board meetings, how they are to be delegated and, in particular, the maximum number of proxies that a director may have, as well as if there is any limit regarding the category of director to whom a proxy may be granted beyond the limitations imposed by law. If so, please briefly describe the rules.

Article 26 of the Articles of Association and 20 of the Board of Directors' Regulations state that representation will be held by other member and when not being able to attend personally, the proxy will have been provided clear and detailed instruction on the issues of the agenda, when applicable.

Non-executive members can only delegate their representation on non-executive members.

C.1.25 State the number of meetings held by the Board of Directors during the year, and if applicable, the number of times the Board met without the chairman present. Meetings where the chairman sent specific proxy instructions are to be counted as attended.

Number of Board meetings	6
Number of Board meetings without the chairman	0

State the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0

Please specify the number of meetings held by each committee of the Board during the year:

Number of meetings held by the Appointments, Remuneration and Corporate Governance Committee.	4
Number of meetings held by the Executive Committee	0
Number of meetings held by the International Executive Committee	0
Number of meetings held by the Audit Committee	6

C.1.26 State the number of meetings held by the Board of Directors during the financial year and information regarding the attendance of its members:

Number of meetings with the attendance of at least 80% of the directors	6
Attendance % of total votes during the financial year	91.70

Number of meetings with all directors attending in person or by proxy with specific instructions	
% of votes cast in person and by proxy with specific instructions of all votes cast during the year	91.70

C.1.27 State if the individual and consolidated financial statements submitted to the Board for preparation were previously certified:

[ ] Yes
[√] No

Identify, if applicable, the person/s who certified the individual and consolidated financial statements of the company for preparation by the Board:

C.1.28 Explain any measures established by the Board of Directors to prevent the individual and consolidated financial statements prepared by the Board from being submitted to the General Shareholders' Meeting with a qualified audit opinion.

The Group has an internal control system whose main aim is to minimise the Group's exposure to risks due to the intrinsic conditions of the activity it performs and the legal framework of the countries where it operates.

Within the internal control system, overseeing financial information (ICSFI) is especially important, its aim is to ensure the adequate generation of financial information at an individual and consolidated level within the Group, respecting the criteria and applicable accounting regulations. The Administration and Finance Department is responsible for the application of the SCIIF and that it be updated.

Additionally, the Internal Audit Department of the Group is entrusted with direct responsibility for the generation of the financial statements and explanatory notes and periodic information to be published both individually and/or consolidated for the companies that make up the Group, among other things:

1. Reviewing financial information,
2. Confirming that it reflects the reality of the business, and that applicable accounting regulations have been properly implemented,
3. Checking that any judgments and estimates made by the Management and Finance Department are reasonable and consistent.

Once the accounting information has been generated as described in the previous paragraphs, it is subject to review by the external auditor. The level of internal confidence about the correctness and goodness of the accounting information is very high. However, in addition to avoid the existence of possible exceptions that may arise from work of the external auditor, the following work procedure is established:

-It is coordinated with the external auditor so that several reviews are carried out at various times throughout the year: half-year review (July), preliminary stage of the review work by the audit (November) and final stage of the audit work (months of February and March).

-The external auditor is immediately informed of any extraordinary operation that could be subject to interpretation or complex application of the accounting regulations, in order to check the registration and / or valuation criteria, information to be provided, etc.

-The final stage of the audit work begins prior to the closing of the annual accounts but before the Board of Directors prepares the financial statements.

Finally, before the Board of Directors prepares the financial statements, the audit committee reviews the financial information. With regard to the half-yearly and annual closes, and partly justified by the fact that such information is subject to review and audit, the audit committee receives the conclusions issued by the external auditor, and reviews a draft of the auditor's report. It confirms that the auditor's report is correct and free of any qualifications (since the Group's policy in this respect is to analyse any recommendations made). In order to prepare the financial information, the Board of Directors relies on the positive opinion of the Audit Committee.

C.1.29 Is the secretary of the Board also a director?

[√] No
[ ] Yes

If the secretary is not a director, please complete the following table:

Name of the secretary	Representative
MR FERNANDO CALBACHO LOSADA	

C.1.30 State, if any, the concrete measures established by the entity to ensure the independence of its external auditors, financial analysts, investment banks, and rating agencies, including how legal provisions have been implemented in practice.

Article 33 of the Company's articles of association and Article 16 of the Board Regulations empower the audit committee to propose to the board the selection, appointment, reappointment, and removal of the external auditor as well as to set out the conditions of recruitment and to regularly gather information on the audit plan while preserving its independence in the exercise of its functions.
The Committee is also empowered to establish the appropriate relations with the external auditor and to receive information on those matters that may jeopardise its independence and any other matters related to the process of auditing, as well as any other communications envisaged in the audit legislation and auditing standards.

In any case, the audit committee receives annually from the external auditors a declaration of their independence in relation to the entity or entities directly or indirectly related to it, as well as information on additional services of any kind rendered and the corresponding fees received from the external auditor, or by any person or entity related to the external auditor, in accordance with the legislation on the audit of accounts.

The audit committee will issue on an annual basis, prior to the issuance of the audit report, a report in which it expresses an opinion on the independence of the statutory auditor. This report should contain an assessment of the provision of the additional services referred to in the preceding paragraph, individually considered and as a whole, other than the statutory audit and in relation to the independence regime or to the audit regulations.

For the effective exercise of its functions, the audit committee may seek the assistance of experts when, for reasons of independence or specialisation, it cannot make sufficient use of the Company's technical resources.

The committee may also request the assistance of any employee or officer of the Company, and may even require their attendance without the presence of any other executive.

C.1.31 State whether the company changed its external auditor during the year. If so, please identify the incoming and outgoing auditor:

[√] Yes
[ ] No

If there were disagreements with the outgoing auditor, explain the content of these disagreements:

[ ] Yes
[√] No

C.1.32 State whether the audit firm provides any non-audit services to the company and/or its Group and, if so, the fees paid, and the corresponding percentage of total fees invoiced to the company and/or Group:

[√] Yes
[ ] No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)	34	63	97
Amount invoiced for non-audit services/Amount invoiced for audit services (in %)	58.80	8.60	3.80

C.1.33 State whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, please explain the reasons given to the shareholders at the General Meeting by the chairman of the audit committee to explain the content and extent of the aforementioned qualified opinion or reservations

[ ] Yes
[√] No

C.1.34 State the number of consecutive financial years during which the current audit firm has been auditing the financial statements of the company and/or group. Furthermore, state the number of years audited by the current audit firm as a percentage of the total number of years that the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	2	2

	Individual	Consolidated
Number of years audited by the current audit firm/number of fiscal years the company or its group has been audited (by %)	6.67	6.67

C.1.35 State whether there is a procedure whereby directors have the information necessary to prepare the meetings of the governing bodies with sufficient time and provide details if applicable:

[√] Yes
[ ] No

Breakdown of procedure

Pursuant to article 26 of the board regulations, directors will diligently inform of board of the company's progress, for which purpose they may request information from executives of the company, informing the chairman or chief executive officer accordingly. Likewise, any director may request, through the chairman, the deputy-chairman, the CEO, the secretary, and the deputy secretary of the board of directors, any information as may be reasonable. The right to information extends to subsidiaries, whether in Span or abroad. Overall, each member of the board must have access to all the information communicated to the board of directors.

The chairman, the deputy-chairman, the CEO, the secretary, and the deputy secretary of the board of directors will endeavour to respond to requests for information made by the members of the board of directors by providing them directly with the information required or by offering them appropriate interlocutors within the organisation. If, in the opinion of the chairman, such a request for information could be detrimental to the interest of the company, the matter will be submitted for to the board of directors for decision.

In order to be assisted in the exercise of their duties, article 27 of the board regulations provides that the directors and the committees and commissions of the board may request the chairman of the board of directors to engage legal, accounting, financial or other experts.

The engagement must necessarily deal with specific problems of a certain importance and complexity that arise in the performance of their duties.

C.1.36 State whether the company has established rules whereby directors must provide information regarding and, if applicable, resign, in circumstances that may damage the company's standing and reputation. If so, provide details:

[√] Yes
[ ] No

Breakdown of procedure

According to article 25 of the Board of Directors Regulations, Directors will resign from their posts upon expiration of the period for which they were appointment, whenever having incurred into legal prohibitions established by the Companies Act or any other applicable regulations.

C.1.37 State, unless there have been special circumstances that have been recorded in the minutes, if the board has been informed or has otherwise learned of any situation that affects a director, related or not to their performance in the company itself, that could harm credit and reputation of this one:

[ ] Yes
[√] No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified, or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

No agreement has been formalised.

C.1.39 Identify individually for directors, and generally in other cases, and provide detail of any agreements made between the company and its directors, officers or employees providing severance payments or golden parachutes in the event of resignation or unfair dismissal or termination of employment due to a takeover bid or any other type of transaction.

Number of beneficiaries	4
Type of beneficiary	**Description of agreement**
Executive directors	The Contract contained in the contract of the 3 executive directors is as follows: In the event of termination of the contract at the company's discretion, the executive director will be entitled to receive severance indemnity, except in the event that such termination is due to a serious breach of any of the obligations of the executive director, in which case he will not be entitled to receive any compensation for the termination of the contract. The termination indemnity will be equivalent to: (i) Three annual payments of the annual fixed remuneration of the executive director at the time of termination and of the last annual variable remuneration received, if the aggregate of these two amounts is less than 750,000 euros. (ii) Two annuities of the annual fixed remuneration of the executive director at the time of termination and of the last annual variable remuneration received, if the aggregate of these two amounts is more than 750,000 euros but less than 1,100,000 euros. (iii) Two annuities

Number of beneficiaries	4
Type of beneficiary	**Description of agreement**
	of remuneration annual of the executive director at the time of cessation and of the last annual variable remuneration received, if the aggregate of these two amounts is greater than 1,100,000 euros. Withdrawal compensation will be deducted on account of Personal Income Tax of and Social Security contributions in charge of the executive director according to current legislation. Likewise, the contract of the CEO, Mr José Luis González Rodríguez, provides that in the event of termination, the executive director will be entitled to receive a severance payment, except that such termination is due to a serious breach of any of the director's duties, in which case the executive director will not be entitled to any compensation for the termination of this Contract. Any severance payment will be equivalent to 2 annual payments of the fixed remuneration that the executive director had been receiving at the time of the termination of the Contract.

State if, further to the cases outlined in the regulations, these contracts have been communicated to and/or approved by management bodies of the company or of the Group. If they have, specify the procedures, events, and nature of the bodies responsible for their approval or for communicating this:

	Board of Directors	**General Shareholders' Meeting**
Body authorising the severance terms	√	

	Yes	No
Are these terms notified to the Annual General Meeting?	√	

Information has been made available to the Meeting by means of the Annual Corporate Governance Report.

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their membership, and the proportion of executive, proprietary, independent, and other external directors that comprise them:

Executive Committee		
Name	**Position**	**Category**
MR JACINTO REY GONZALEZ	CHAIRMAN	Executive
MR JACINTO REY LAREDO	MEMBER	Executive
MR JOSÉ MANUEL OTERO NOVAS	MEMBER	Independent
MR JAVIER REY LAREDO	MEMBER	Executive

% of executive directors	75.00
% of proprietary directors	0.00
% of independent directors	25.00
% of other external directors	0.00

Explain the functions delegated or attributed to this committee, other than those already described in section C.1.9, and describe the procedures and rules for its organisation and operation. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions

The Executive Committee is dealt with in Article 31 of the By-Laws and Article 14 of The Board's Regulations. The Executive Committee will be comprised of a minimum of three (3) and a maximum of five (5) directors, nominated by the Board of Directors among its components, for a period equal to the term in the office of each Member of the Board.

The Executive Committee will have the powers which may be delegated by the Board of Directors, which in turn will determine the rules for the operation of the same.

The Chairman of the Board of Directors will chair the Executive Committee. In the absence of the Chairman, the Deputy-Chairman will exercise his functions, and if there are several, it depends on number priority, and in the absence of all of them, the Member the Committee designates from among its directors.

The secretary and deputy-secretary of the board of directors will be the secretary and deputy-secretary of the executive committee. If there were several, the one corresponding by priority of number, and in the absence of all of them, the director designated for such purpose from among the members.

The Executive Committee is bound by the following performance rules:

1. The Executive Committee will meet according to the schedule of meetings to be set at the beginning of each year and whenever the Chairman deems it appropriate in order to ensure the proper performance of the Committee.

2. Insofar, provided it is not incompatible with their nature, the provisions of the Articles of association relating to the convening of meetings will apply.

3. Executive Committee will be quorate when at least half of its members are present or represented. Whenever Directors Member of the Executive Committee cannot personally attend the meeting, Directors may delegate their representation to another attendee members by letter addressed to the Chairman.

4. Meetings will be chaired by the Chairman of Board. In the absence of the Chairman, his duties will be exercised by the Deputy-Chairman, and in the event of being several, priority will be set out by number, and in default of all, the Director appointed by the Committee from among its members to fulfil this function.

5. Secretary and Deputy Secretary of the Board of Directors will act as Secretary and Deputy-Secretary of the Executive Committee and, in the event of being several, priority will be set out by number, and in the absence of all, the Director appointed by the Commission from among its members to fulfil this function.

6. Resolutions will be adopted by an absolute majority of those present at the meeting.

7. The Executive Committee may pass resolutions without a calling a meeting pursuant to the same conditions of the Board.

Notwithstanding the foregoing, the Board of Directors may establish any additional rules or operating rules applicable to the Executive Committee. The Board of Directors will have knowledge of matters discussed and any decisions adopted by the Executive Committee.

Similarly, the Board of Directors may constitute, if so deemed desirable or necessary, other commissions, including an Audit Committee and an Appointments, compensation, and Governance Commission.

Without prejudice to the possible attribution of other functions decided by the board of directors, the advisory committees will have powers for providing information, advice and proposals in the matters determined in the following articles, as well as in any others that the board of directors may deem appropriate. The powers of the committees to make proposals do not preclude the board from deciding on these matters on its own initiative.

The chairman of each of the advisory committees will be appointed by the board of directors from among its members and must in any case be an independent director.

The secretary of the committees will be the secretary of the board of directors. In the absence or inability of the secretary, this function may be performed by the deputy secretary and, alternatively, by the person appointed by the committee itself from among its members. In all matters not specifically provided for, the rules of operation established by these regulations in relation to the executive committee will apply as long as they are compatible with the nature and function of the committee concerned.

International Executive Committee		
Name	**Position**	**Category**
MS MARIA JOSÉ ALONSO FERNANDEZ	MEMBER	Independent
MR ROBERTOÁLVAREZ ÁLVAREZ	MEMBER	Other external
MR JACINTO REY GONZALEZ	CHAIRMAN	Executive
MR JACINTO REY LAREDO	MEMBER	Executive
MR JAVIER REY LAREDO	MEMBER	Executive
MR NASSER HOMAID SALEM ALI ALDEREI	MEMBER	Other external

% of executive directors	50.00
% of proprietary directors	0.00
% of independent directors	16.67
% of other external directors	33.33

Explain the functions delegated or attributed to this committee, other than those already described in section C.1.9, and describe the procedures and rules for its organisation and operation. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Article 18 (2) of the regulations of the Board of Directors reflects the composition, functioning and internal regulation of the International Executive Committee.

Composition.
The International Executive Committee will comprise a maximum of twelve members, who will be appointed by the Board of Directors under the unique proposal of the Chairman.

The members of the International Executive Committee will be either members of the Board of Directors, as directors, or either technicians, with the character of international advisors or sector experts, especially appointed for this function.

The International Executive Committee is responsible for the information, monitoring, advisory and proposal of matters of its competence in the international arena. The Committee will be chaired by the Chairman of the Board of Directors.

The resolutions of the Committee, adopted with the Chairman, will be considered as legal decisions by the Chairman in accordance with the delegated powers of the Board.

The members of the International Executive Committee will cease by substitution, the termination of the period which they have been appointed for, willingly or by loss of the condition of Member.

Functioning

The International Executive Committee will meet whenever the Chairman deems it appropriate. The sessions of the Committee may be plenary or by sections, consisting of the latter in private meetings with the members invited in each case by the Chairman, in response to a variety of countries, areas of specialization or sectors of activity.

Competencies:

Without prejudice to other tasks assigned by the Board of Directors, the International Executive Committee will have the following powers:
a) To collaborate in the development of the Group's international area in all its divisions, both in construction and in concessions, energy, and real estate projects and urban or any other type of business.

b) To contribute to the increase of the international relations of the Group with public and private, local, and international partners.
c) To search for new business opportunities and projects, elaborate proposals for foreign, either public or private, institutions, and other entities that develop projects worldwide.
d) To raise capital and investment financing for international projects.
e) To propose projects with the appropriate partners.

Audit Committee		
Name	**Position**	**Category**
MR RAMÓN BARRAL ANDRADE	MEMBER	Independent
MR JOSÉ MANUEL OTERO NOVAS	CHAIRMAN	Independent
MR ALTINA DE FÁTIMA SEBASTIÁN GONZÁLEZ	MEMBER	Other external

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	66.67
% of other external directors	33.33

Explain the functions, including, if applicable, those additional to those provided for by law, attributed to this committee, and describe the procedures and rules of organisation and operation thereof. For each of these functions, indicate its most important actions during the year and how it has exercised in practice each of the functions attributed to it, either by law or in the bylaws or in other corporate resolutions.

The audit Committee is governed by Article 33 of the Articles of Association and Articles 15 and 16 of the Board of Directors' Regulations.

The audit Committee will be composed exclusively of non-executive directors appointed by the Board of Directors, two of whom, at least, will be independent directors and one of them will be appointed taking into account the knowledge and experience in the field of accounting or audit or both.

The Chairman of the Audit Committee will be appointed from among the independent directors who form part of the Committee and must be replaced every four years, and may be re-elected once after a period of one year from its cessation.

The mandate of members of the Committee will end by replacement, at the end of the period for which they were appointed, by own will or by the loss of the condition of member. The audit Committee will meet at least four times a year.

The responsibilities of the Committee, among other things, are to:

a) Report to the AGM on any issues arising in connection with matters within the committee's remit.
b) Supervise the effectiveness of the company's internal control, internal audit and risk management systems and financial and non-financial risk regarding the Company and the group, including operational, technological, legal, company, environmental, sustainability, policy, and reputational risk.
c) Set up a communication channel between the management of the risk and sustainability control Departments with the main verifier responsible for sustainability.
d) Request that the verifier regularly attend the committee's meetings.
e) Supervise internal control on the approach to calculating key sustainability indicators (KPI).
f) Supervise the process of preparing and presenting mandatory financial and non-financial information.
g) Raise with the board of directors the proposals for selecting, appointing, re-electing and replacing the external auditor.
h) Appoint the sustainability information verifier and set the rules applicable to their selection, draft their declaration of independence and set up communication between the verifier and the committee.
i) Set up the appropriate links with the external auditor and the verifier to receive information on those issues that may place their independence at risk.
j) Issue a report, before the annual accounts audit report is issued, giving an opinion about the independence of the accounts auditor and the verifier.
k) Provide information about any links transactions that must be approved by the Gen meeting of the board of directors and oversee the internal procedure established by the company for those of them whose approval has been delegated.
l) Provide a prior report to the board of directors on all matters provided for in the law, the articles of association and the regulations of the board and, in particular, on the following:
1. The financial information that the company must periodically disclose to the public.

2. The creation or acquisition of shareholdings in special purpose vehicles or entities domiciled in countries or territories considered tax havens.
m) Ensure the independence of the unit that assumes the internal audit function, propose the selection, appointment, and removal of the head of the internal audit service.
n) Establish and supervise a mechanism that allows employees and other persons related to the Company to report any irregularities of potential importance, including financial and accounting irregularities, or any other irregularities of any other nature related to the company, which they may have detected within the company or its group.
o) In general, to ensure that the policies and systems established for internal control are effectively applied in practice.
p) In the event of resignation of the external auditor, examine the circumstances giving rise to such resignation.
q) Ensure the external auditors and the verifier's remuneration.
n) Ensure the Company notifies the CNMV of any change of auditor.
o) When circumstances so advise, ensure that the external auditor meets with the board of directors.
p) Ensure that the Company and the external auditor comply with current regulations on the provision of non-audit services.

When exercising its duties, the audit committee may seek the assistance of experts.

During 2024, the main actions of the committee within the scope of its competencies were:

• The committee has focused its activity on complying with its legal and statutory functions.
• It approved the Group's internal audit plan for 2024.
• It follows up and kept the board of directors informed about the work being carried out by internal audit during every quarter.
• It has overseen the process of preparing and presenting mandatory financial information.
• It has ensured that the external auditors have carried out their duty. It has provided information on the proposed fees presented by the Group's Auditor.
• It has prepared the report on the independence of the external auditors which has been drafted based on the declaration of Independence presented by PwC.
• It has analysed the status of the Group's internal control system and the risks to which it is exposed.
• It has received regular information from some of the main directors from presentations made by the former to the committee.
• It has issued its opinion on the appropriateness of the proposed verifier.

Identify the directors who are member of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date that the Chairperson of this committee was appointed.

Name of directors with experience	MR RAMÓN BARRAL ANDRADE / MR JOSÉ MANUEL OTERO NOVAS / MS ALTINA DE FÁTIMA SEBASTIÁN GONZÁLEZ
Date of appointment of the chairperson	28/07/2022

Appointments, Compensation and Governance Commission		
Name	**Position**	**Category**
MR ROBERTO ÁLVAREZ ÁLVAREZ	MEMBER	Other external
MR RAMÓN BARRAL ANDRADE	CHAIRMAN	Independent
MR JOSÉ MANUEL OTERO NOVAS	MEMBER	Independent
MR ENRIQUE MARTIN REY	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	25.00
% of independent directors	50.00
% of other external directors	25.00

Explain the duties exercised by this committee, describe the rules and procedures it follows for its organisation and function. For each one of these functions, briefly describe its most important actions during the year and how it has exercise in practice each of the functions attributed thereto by law, in the Articles of Association or other corporate resolutions.

Article 34 of the articles of association and Articles 17 and 18 of the Board of Directors' Regulations deal with the composition, standards, performance, and functionality of the Appointments, compensation, and Governance Committee.

The Appointments, Remuneration and Governance Committee will consist of a minimum of three members and a maximum of 5 members. The Committee will be composed exclusively of non-executive directors appointed by the Board of Directors, two of whom, at least, must be independent directors. The Chairman of the Committee will be appointed from among the independent directors. The term of office of the Chairman will be four (4) years and may be reappointed after the expiry of one (1) year from the date of termination.
Any member of the management or of the company is obliged to attend the meetings of the Committee when required to do so.

The request for information to the Committee will be issued by the Board of directors or the Chairman. The Committee will meet, whenever called by the Chairman, when most of its members request it, or whenever required by the Board of Directors. Without prejudice to this, the Committee will meet at least twice a year. The Secretary will take record of the resolutions of the Committee, which will be adopted by a majority of its members.

Without prejudice to the aforementioned regulation, the Board of Directors may establish any other additional rules of operation for the Committee.

The role of the Committee is to:

1. Assess the competencies, knowledge and experience required for the Board of Directors.
2. Set goals for the representation of the under-represented sex in the Board and draw up guidelines on how to achieve this goal.
3 Submit to the board of directors proposals for the appointment of independent directors, as well as proposals for the re-election or removal of such directors by the general meeting of shareholders.
4. Report on the proposals for appointment of the remaining directors for their designation.
5. Report on proposals for the appointment and removal of senior executives and the basic conditions of their contracts.
6. Examine and organise the succession of the chairman of the board of directors and the chief executive officer of the company.
7. Propose to the Board of Directors the remuneration policy for directors and executives.
8. Propose to the Board of Directors sustainability strategies, plans, policies and objectives and assess the progress and the degree of compliance with the sustainability plans and objectives established.
9. Control and follow-up regarding transparency in Company activities, compliance with the Company's rules on governance and with the Company's internal regulations on conduct by members of the board and the Company's management.
10. Ensure that the Company's policy on remuneration is observed.
11. Ensure that supervening conflicts of interest do not damage the independence of the external advice provided to the committee.
12. Verify the information on directors' and senior directors' remuneration contained in different company documents.
14. Propose to the board of directors any amendments to the rules governing it.
15. Within the scope of its role, present to the board of directors for review and approval any proposals it deems appropriate.

During the year 2024 the committee has exercised some of these functions as follows:

1. It has reviewed and analysed the drafts of the IAGC and IAR reports and has forwarded its comments and observations to the secretary so that he may incorporate them into the reports and, consequently, has agreed to submit such reports for approval by the board of directors.

2. It has proceeded with the analysis and report on the fixed remuneration of directors in their capacity as such and on the fixed and variable remuneration of executive directors.

3. It carried out the self-assessment process of the board itself as well as of the audit and the CNRB&GC committees. The evaluation was carried out by obtaining the opinion of the directors by means of the completion by them of the questionnaire prepared by the secretary of the board, which was subsequently submitted for the consideration of all the members of the committee.

4. It reported on the proposal to re-elect the CEO and another external director.

5. It reported on the proposal to approve the remuneration policy for the directors of Grupo Empresarial San José, S.A. for the financial years 2025, 2026 and 2027.

6. It reported on the proposal to amend the regulations applicable to the board of directors.

7. It reported on the proposal to amend the internal Regulations on conduct on the stock markets and on the appointment of Pedro Aller Román as compliance manager.

8. It reported on the proposal to appoint a secretary and vice secretary to the board of directors.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	FY 2024		FY 2023		FY 2022		FY 2021	
	Number	%	Number	%	Number	%	Number	%
Executive Committee	0	0.00	0	0.00	0	0.00	0	0.00
International Executive Committee	1	16.67	1	16.67	0	0.00	0	0.00
Audit Committee	1	33.33	1	33.33	1	33.33	1	33.33
Appointments, Remuneration and Governance Committee	0	0.00	0	0.00	0	0.00	0	0.00

C.2.3 State, where applicable, the existence of any regulations governing Board committees, where these regulations may be found, and any amendments made to them during the year. Also state whether any annual reports on the activities of each committee have been voluntarily prepared.

The Board of Directors' committees are regulated by article 31 of the articles of association (the executive committee), article 33 (the audit committee) and article 34 (the appointments, remuneration and good governance committee), and by the following articles of the board of directors' regulations: article 14 (executive committee), articles 15 and 16 (audit committee), and articles 17 and 18 (appointments and remuneration committee) and article 18 bis (international executive committee).

In the 2024 financial year, the following amendments have been made to these articles.

Article 16.- Competencies of the audit committee.

(b) Supervise the effectiveness of the Company's internal control, internal audit, and financial and non-financial risk and the control management systems relating to the Company and the group, - including operational, technological, legal, social, environmental, sustainability, political and reputational or corruption-related risks. This includes reviewing compliance with regulatory requirements, the appropriate ring fencing of the consolidated accounting requirements and the correct application of accounting criteria, as well as discussing with the auditor the significant weaknesses of the internal control system detected while carrying out the audit.
(c) Establish a communication channel with the management of the risk control and sustainability departments, and with the main verifier responsible for sustainability.
(d) Request that the verifier attend on a regular basis committee meetings, and in particular always where there has been publication data regarding sustainability, without them taking part in the deliberation and voting phases.
(e) Supervise internal control on the approach to calculating key sustainability indicators (KPIs).
(f) Oversee the process of preparing and presenting mandatory financial and non-financial information
(h) Designate the verifier for sustainability information and set the applicable standards for their selection, draft a statement of independence, and arrange communication channels between the committee and the verifier.
(i) Establish an appropriate relationship with the external auditor and the verifier to receive information on any issues arising that may pose a risk to their independence and any other matters related to the process of carrying out the audit of accounts. Also to address any other communication processes provided for in the legislation on auditing accounts and auditing standards. In any case, it must receive annually from
the external auditors and the verifier a declaration of their independence regarding the entity or entities directly or indirectly linked to it, as well as any information about additional services, of any kind, provided and the corresponding fees received from these entities by the external auditor, or by the persons or entities related to it, in accordance with the provisions of the legislation on auditing accounts.

(j) Issue annually, prior to the issue of the accounts audit report, a report expressing an opinion on the independence of the auditor and the verifier. This report must contain, in every case, an assessment of the provision of the

additional services referred to in the paragraph above, considered individually and overall, different from that of the statutory audit and in relation to the independence regime or the regulations governing auditing.
(k) Report on any related-party transactions to be approved by the general meeting or the board of directors and to oversee the internal procedure set by the company for those who have delegated their powers of approval. To this end, the committee may request expert reports to assess whether the transaction is fair and reasonable, and regularly review the list of transactions carried out under the delegation regime during the period, where appropriate with the internal audit, with an individual assessment of the most relevant transactions.
(n) Establish and oversee a mechanism allowing employees and other persons linked to the Company, such as directors, shareholders, suppliers, contractors or subcontractors and financial investors, associations and communities affected, to report any potentially significant irregularities, including financial and accounting irregularities, or of any other nature, related to the company that they have detected within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the complainant and the accused.
(q) Ensure that the remuneration the external auditor and the verifier receive for their work does not compromise their quality or independence.

Article 18.- Role of the Appointments, Remuneration, and Good Governance Committee.

(h) To propose to the board the definition of sustainability strategies, plans, policies, and objectives, and to evaluate the progress and degree of progress of the sustainability plans and objectives.

Annual reports are issued on the activities of the audit, nomination, and remuneration committees.

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

D.1 Explain, if applicable, the procedure and competent bodies for the approval of related-party and intra-group transactions, indicating the general internal criteria and rules of the company governing the abstention obligations of the directors or shareholders affected and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to article 32 of the board regulations, the board of directors will be competent to approve all related-party transactions under the terms established by law, subject to a report from the audit committee.

The board's power to approve related-party transactions may be delegated in the following cases:

(a) transactions between companies forming part of the same group which are carried out in the ordinary course of business and on an arm's length basis.
(b) transactions entered into under contracts whose standardised terms and conditions are applied on a masse basis to a large number of customers, at prices or rates generally established by the supplier of the goods or services, and for an amount not exceeding 0,5 % of the company's net turnover.

In such cases, approval of the related-party transaction will not require a prior report from the audit committee.

However, at the board of directors' meeting held on 12 May 2022, an internal procedure was approved to delegate the approval, reporting and periodic control of related-party transactions to the audit committee.

This procedure provides for the coordinating director to be delegated the power to approve the following related-party transactions:

(a) Transactions between companies forming part of the same group that are carried out in the scope of ordinary management and on an arm's length basis.

(b) transactions entered into under contracts whose standardised terms and conditions are applied on a masse basis to a large number of customers, at prices or rates generally established by the supplier of the goods or services, and for an amount not exceeding 0,5 % of the company's net turnover.

c) Transactions entered into by the company with its parent or other companies of the group subject to conflict of interest, provided that these transactions refer to the ordinary course of business, including those resulting from the execution of a framework agreement or contract, and concluded at arm's length.

The company that intends to carry out any of the transactions referred to in a), b) and c) will notify the co-ordinating director, with a copy to the head of the financial department, indicating the details of the transaction envisaged, and in particular the identity of the related party or parties.

Such communication must be made in writing before the transaction is entered into and may not be formalised before the coordinating director giving the authorisation in writing. This authorisation must be given, where appropriate, within a maximum period of five working days, and will not require a prior report from the audit committee.

The co-ordinating director will periodically inform the audit committee of the transactions notified and authorised, so that the latter may review that all transactions comply with the requirements of the regulations of the board.

The financial department will draw up a register of all communications received, and transactions authorised by the coordinating director.

D.2 List individually those transactions that are significant due to their amount or relevant due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or represented on the company's board of directors, indicating which body was competent to approve them and whether any shareholder or director affected abstained. In the event that the board was competent, indicate whether the proposed resolution was approved by the board without the majority of independent directors voting against:

	Name of significant shareholder	Shareholding %	Name of company or entity within the group	Amount (thousand euros)	Authorising body	Significant abstain shareholders or member	The proposal has been approved by the board without a majority of negative votes
(1)	PINOS ALTOS XR, S.L.	23.34	Grupo Empresarial San José, S.A.	113	Board of Directors	Jacinto Rey González, Jacinto Rey Laredo and Javier Rey Laredo	YES
(2)	PINOS ALTOS XR, S.L.	23.34	Xornal de Galicia, S.A.	1,193	Board of Directors	Jacinto Rey González, Jacinto Rey Laredo and Javier Rey Laredo	YES
(3)	PINOS ALTOS XR, S.L.	23.34	Carlos Casado	22	Board of Directors	Jacinto Rey González, Jacinto Rey Laredo and Javier Rey Laredo	YES
(4)	PINOS ALTOS XR, S.L.	23.34	Constructora San José, S.A.	164	Board of Directors	Jacinto Rey González, Jacinto Rey Laredo and Javier Rey Laredo	YES

	Name or company name of the shareholder or any of their subsidiary cos.	**Nature of the relationship**	**Transaction and other relevant information**
(1)	PINOS ALTOS XR, S.L.	Trade	Leasing meeting hall for board, exec. Cttee. And directors of GESJ meetings, other meetings and client service.
(2)	PINOS ALTOS XR, S.L.	Trade	Loan Pinos Altos to Xornal de Galicia renewable on an annual basis
(3)	PINOS ALTOS XR, S.L.	Trade	Leasing office in Argentina to Carlos Casado.
(4)	PINOS ALTOS XR, S.L.	Trade	Leasing office in Argentina to Constructora San JOSÉ.

D.3 List individually the transactions that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the directors or executives of the company, including those transactions carried out with entities that the director or executive controls or jointly controls, indicating which body was competent to approve them and whether any shareholder or director affected abstained. In the event that the board was competent, indicate whether the proposed resolution was approved by the board without the majority of independent directors voting against:

Name of director or manager	Name of the related party	Relationship	Amount (thousand euros)	Authorising body	Significant abstain shareholders or member	The proposal has been approved by the board without a majority of negative votes
N/A						

Name or company name of the shareholder or subsidiary	Nature of the transaction and other relevant information
N/A	

D.4 Report on an individual basis on significant intra-group transactions due to their amount or relevant due to their subject matter carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or the latter are wholly owned, directly or indirectly, by the listed company

In any event, note any intragroup transaction conducted with entities established in countries or territories which are considered tax havens:

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Constructora Udra Limitada	Corporate guarantee (comfort letter) of Constructora San José, S.A. for the renewal of a line of guarantees granted by Banco Sabadell to Constructora San José representation in Portugal and Constructora Udra Limitada, in the amount of €7,000,000. This guarantee replaced the one already provided by Constructora San José, S.A. (Spain) to guarantee the line of guarantees that is being renewed and extended	10,000

Name of entity within the group	Brief description of the transaction	Amount (thousand euros)
Constructora Udra Limitada	Corporate guarantee (comfort letter) of Constructora San José, S.A. for the renewal and extension of a confirming line granted by BBVA bank to Constructora Udra Limitada, for an amount of €1,500,000. This guarantee replaced the one already provided by Constructora San José, S.A. (Spain) to guarantee the confirming line that is being renewed and extended	1,500
Constructora San José, S.A.	Grupo Empresarial San José, S.A. has provided the necessary comfort letter guarantee for the development of Constructora San José's business and projects in Malta.	
Fotovoltaica el Gallo, S.L.	Renewal of fiduciary guarantee in favour of the company Fotovoltaica el Gallo, S.L. (a company in which Constructora San José, S.A. holds an 82.50% stake) for an amount of €4,438,526 to guarantee the subsidiary civil liability of the aforementioned company, which may arise from the legal proceedings being processed in the courts of Arenys del Mar. In order to obtain the aforementioned guarantee, it was necessary for Constructora San José, S.A. to subscribe a counter-guarantee for the same amount as the guarantee obtained in favour of the insurance company.	4,439
Constructora San José Perú, S.A.	Corporate guarantee granted by CSJ in favour of BBVA branch in Peru to carry out business and projects in that country.	
Altacus, S.A., Cirilla, S.A., Lysistrata, S.A.	Commitment to provide a guarantee granted by CSJ in favour of ING to guarantee the financing of its investee companies within the framework of Plan VIVE 3, arising from its percentage shareholding in the same.	
Cabo Verde	Corporate guarantee granted by CSJ in favour of Banco Caixa Económica de Cabo Verde, S.A., to undertake business in Cabo Verde.	

D.5 List individually any transactions that are significant in amount or material in terms of their subject matter carried out by the company or its subsidiaries with other related parties that are significant in accordance with International Accounting Standards as adopted by the EU and have not been reported under the preceding headings.

Name of the related party	Brief description of the transaction	Amount (thousand euros)
N/A		N.A.

D.6 Describe the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, or significant shareholders.

The regulations of the board of directors set out in detail the general obligations of directors in accordance with the provisions of articles 225 et seq. of the Companies Act.

Pursuant to article 28, directors must perform their duties and comply with the duties imposed by law and the by-Laws with the diligence of an orderly businessman, taking into account the nature of the position and the functions entrusted and subordinate, in all cases, their own interests to the interests of the company.

The directors will have the appropriate dedication and will adopt the necessary measures for the proper management and control of the company.

In the performance of their duties, directors have the duty to demand and the right to obtain from the company the appropriate and necessary information to enable them to fulfil their duties.

Directors will perform their duties with the loyalty of a faithful representative, acting in good faith and in the best interests of the Company.
This
Loyalty commits Directors to:

a) Not to use powers for purposes other than those for which they have been granted to.
b) Keep secret all information, data, reports, and records released within the performance of this position, even after its office, unless requested by law.
c) Not to take part in the decision-making process of the any issues, agreements, or decisions which the director or any other person linked to the same may be interested in, either directly or indirectly. Decisions affecting his condition as member are excluded, such as the renewal or cessation of Directors.
d) To develop the tasks and functions under the principle of personal liability regardless any third parties.
e) To adopt as many measures may be deemed necessary so as not to incur in any conflict of interest with the company.

Specifically, the commitment to avoid any conflict of interest, obliges Directors:

a) Not to perform transactions with the Company, other than ordinary transactions, under standard conditions for clients, understanding as such those which request equity, or financial information of the Company.
b) Not to use the name of the Company or the condition of Director to force any private transactions.
c) Not to use company assets, even confidential information of the company, with private purposes.
d) Not to take advantage of the Company's business opportunities.
e) Not to get any advantages or disadvantages from third parties other than courtesy events.
f) Not to develop activities which may involve direct or indirect competence with to the company or represent a conflict of interest.

The board regulations regulate duties of confidentiality (article 29), non-competition (article 30), conflicts of interest (article 31), related-party transactions (article 32), confidential or reserved information (article 33) and exemption of directors from certain duties (article 34).

D.7 Indicate whether the company is controlled by another entity within the framework of Article 42 of the Commercial Code, listed or not, and has, directly or through its subsidiaries, business relationships with said entity or any of its subsidiaries (other than those of the listed company) or develops activities related to those of any of them.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's Risk Management and Control System, including tax compliance risk.

Grupo SANJOSÉ is a group of companies operating globally in sundry fields of activity: construction, concessions, maintenance, real estate, etc.

To do this, it relies on a local office in each of the countries where it is present, with professionals with great experience and knowledge related to the country and the type of activity. Additionally, it has support and control departments at central level, located at the Group's headquarters in Madrid, highlighting mainly the Tax and Consolidation and Audit Department.

The scope of the risk management system covers the entire Group, regardless of the activity and / or geographical region.
The Tax Department reviews the local operations of each company, confirms the taxes applicable to it and checks that the forecasts and settlements made are correct and timely. To this end, it relies on tax experts contracted in each of the geographical areas where the Group operates.
The Internal Audit Department of the Group is based on the principles of:

-Integral management of risk.

-Valuation of risks and establishment of the level of risk assumed.

-Respect for the ethical code and anti-corruption code, and

-Consistence and coherence of the internal control system of financial information.

It identifies and evaluates the risks to which it is exposed. This process allows to identify in advance and assess the risks to which the Group is exposed, based on its probability of occurrence and the potential impact on the strategic objectives of the business, in order to take management and assurance measures tailored to the nature and location of the risk.

The Board of Directors approves the policy on control and risk management that the Audit Committee, or other special according to the matter, analyses and evaluates together with the reports of the Internal Audit Department.

E.2 Identify the bodies within the company responsible for creating and executing the Risk Management and Control System, including tax compliance risk.

Without prejudice to the supervisory functions that correspond to the Board according to the Law and the Articles of Association, the Board of Directors and the Audit Committee supervise the work carried out by the different departments of the Group for the purpose of correct application of the Internal Control System.

The Group has a risk management policy and has approved the periodic monitoring of internal information and control systems. This function is transferred to the Audit Committee, which periodically checks the correct design and development of the internal control system.

In the preparation and execution of the risk management system, it is particularly important that all business divisions and the management of the investee companies identify and assess risks, including those of a fiscal nature, which are faced in the achievement of business targets with the aim of identifying in advance the mitigating measures that minimise or eliminate the possibility of occurrence of a risk and its impact on the Group's objectives.

E.3 State the main risks, including tax compliance risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives:

The main risks to which the Group is exposed, arising from the type of activity it carries out and related to the risks inherent to the markets where it operates, which affect the development of the Group's strategy, its ability to create value and, in general, the achievement of its objectives, are the following:

- Market risk: in particular, those relating to the demand for and price of the services and products offered by the Group, as well as the availability and price of the resources it uses. In recent years, the level of uncertainty in economic activity worldwide has increased, mainly as a result of the geostrategic crises arising from the military conflicts in Europe and the Middle East, with a negative effect on the energy market and world trade, which has led to higher prices for productive resources, mainly energy, as well as greater risk due to the lack of availability of raw materials. There has also been an increase in the cost of skilled labour. The uncertainty affecting these risk factors worldwide has been further aggravated by the protectionist measures and the foreign policy adopted by the United States. All this could have a negative impact on the Group's results and margins.

- Regulatory and political risk: relating to compliance with legal requirements that affect the development of the activity. The number of countries in which the Group operates is high, being subject to the regulatory framework of each country. Additionally, some of the assets managed by the Group are subject to specific regulations, considered in the preparation of their business plans. There may be unforeseen regulatory or legislative changes that may modify the legal and regulatory environment, conditioning the Group's ability to manage and capitalise on its businesses. In certain cases, the Group's adequate and complete business development may be affected and conditioned by political decisions or changes in governance structures that may be contrary to the interests of the Group, increasing the difficulty of achieving the business plan.

- Compliance with environmental regulations and adequate management and minimisation of possible damage to the environment: the Group is especially aware of the importance of proper environmental management, waste management and minimisation of possible negative impacts on the environment derived from the development of its activity.

-Information security and cyber-attacks: occurrence of criminal acts, cybernetic in nature, which may affect their assets and suppose prolonged paralysis of operations.

-Work risk: provision of labour-intensive services, diversity of geographical locations and applicable labour laws, all this together with the need to carry out physical work in high-risk environments and the requirement to protect and safeguard the physical integrity of our employees. Likewise, the possibility that individual or collective conflicts may arise with employees that damage the productive capacity of the Group and / or the corporate reputation.

- Financial risk: exposure to credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Group's financial and solvency structure minimises these risks for the most part.

-Operational risk: The Group's activity consists mainly of the design, development, and management of construction projects. The Group is endowed with very demanding controls in order to ensure the proper development of its activity, and the provision of services of maximum quality to its customers. Compliance with the quality levels and delivery deadlines of the goods and services provided by the Group.

-Breach of contract with third parties: potential breach of contractual obligations assumed with third parties (customers, suppliers, financial entities, public administrations, etc.) that may cause sanctions or endanger the continuity of the projects and / or the Group's financial position.

-Risk of fraud and corruption: the diversity of projects, geographical locations and the high number of clients, suppliers, workers and, in general, interest groups with which they interact, expose the Group to the risk of fraudulent practices that pursue a profit at the expense of generating a direct financial loss to the Group, or to any of the members of the related interest groups.

E.4 State whether the entity has a risk tolerance level, including tolerance for tax compliance risk.

Grupo SANJOSÉ has a level of risk tolerance, including tax risks, consistent with the expected profitability.

Taking into account the strategic objectives of the Group and the strategic lines for its achievement, the acceptable level of risk for each risk group, type of business and geographical location is approved, as well as the permitted deviation levels. The acceptable risk levels are periodically updated in line with the variations in the corporate strategy and the business risk profile.

The combination of the impact and the probability of occurrence determines the level of severity of the risk.

E.5 State which risks, including tax compliance risks, have materialised during the year.

The main risks to which the Group has been exposed in the financial year 2024 were as follows:

-Financial risk - exposure to the exchange rate: Argentina should be highlighted here because during the most recent financial years there has been a significant depreciation of its currency. Likewise, and due to the high levels of inflation accumulated in recent years since 2018, international organisations have classified the Argentine economy as hyper-inflationary.

-Market risk - Increase in prices of productive resources: during the most recent financial years a general increase in prices has become apparent, affecting the world economy and justifying the application of restrictive monetary policies by the main central banks. During the financial year 2024 there has been a certain level of price stability and some countries have begun to adopt expansive monetary policies (for example, in the Eurozone). However, the tariff policies that it is predicted will be adopted by the United States as well as the uncertainty generated by the development of geostrategic conflicts existing in Europe has ensured that this underlying risk remains, generating a certain level of uncertainty as to how prices will evolve over the short and medium term.

- Market risk - Reduction in demand: the current situation of uncertainty regarding the evolution of geostrategic conflicts, the effects these are having on the main worldwide trade flows, together with restrictive monetary policies directed at controlling inflation, are all having a negative impact on worldwide economic activity and, especially the market demand for construction and infrastructure.

- Contract non-compliance: possible breaches of contracts, either by customers or suppliers, negatively affecting the foreseen margins, and resulting, in some cases, in unilateral contractual termination.

E.6 Explain the response and monitoring plans for all major risks, including tax compliance risks, of the company, as well as the procedures followed by the company in order to ensure that the board of directors responds to any new challenges that arise.

The risk management system is mainly focused on: i) identify the risks to which the Group may be exposed to by the intrinsic characteristics of the activity or markets where it operates, ii) quantifying their potential impact, iii) defining action policies to meet the objectives defined, iv) establishing the necessary controls to minimise possible contingencies that may arise, and create actions or responses to those contingences once occurred.

In this regard, the monitoring and response plans for major risk events are:

- In the face of demand risk: the commercial and research department has multiple instruments for detecting and evaluating new business opportunities, establishing regular contracting meetings and being in full coordination with the Production Department and the Group's General Management. Likewise, we attempt to find contractual formulas that satisfy both parties and minimise exposure to variations in the price of raw materials and production resources in general. In addition, at a strategic level, the Group evaluates new markets that offer business opportunities but always in an environment of judicial certainty.

- Regarding the risk of information security and cyber-attacks: the IT department is endowed with the material elements and protocols to guarantee back-ups and security of information, limitation in access to systems, etc.

- Regarding environmental risk: the Group periodically carries out external quality and environmental audits in order to confirm that the appropriate procedures are maintained to guarantee that, in the development of the activity, either directly or through subcontractors, environmental regulations are complied with, and procedures are carried out with maximum respect for the environment.

- Regarding possible work risks: i. The risk to physical safety at work: The Group has a highly demanding industrial risk control system, which in the first instance is based on continuously training and raising the awareness of its employees, both active and passively, as well as in supplying the appropriate protection measures (signalling, clothing, et cetera) and carrying out internal and external compliance audits. ii. the risk of employment conflict, the Group is endowed with a human resources department that, centrally, establishes recruitment, training, and professional follow-up policies, etc., coordinating with HR departments in each of the geographical locations where the Company operates, its main aim being to comply with employment legislation and respect workers' rights.

Additionally, and in coordination with the Human Resources and Production Department, the Occupational Risk Prevention Department should be highlighted, its main aim being to maximise the safety and protection levels of workers in the different workplaces.

- Regarding financial risks:

I. Liquidity risk: activity budgets are carried out and monitored periodically, specifically, treasury estimates, daily, weekly, and monthly.
II. Interest rate and exchange rate risk: the Group's policy is to obtain financing at local level, and in the currency which the flows and rents derived from the development of the activity are obtained in. When it is not feasible to contract fixed interest rates, the contracting of derivative financial instruments is valued.
III. Credit risk: the Group has a credit risk management department, which assesses the solvency of the clients beforehand, and establishes credit limits for each one.

- Risk of production: a supervision and authorisation system is established with the objective of not assuming risk positions in bids submitted, as well as in the production and development stage of works.

- Risk of fraud and corruption: a very strict system is established in the granting of powers to the governing body and employees of the Group, as well as in the realisation and control of payments. The Group has a code of conduct and an anti-corruption policy that, among other measures, establishes the creation of a whistle-blower channel which not only affects the Group's workers, directors, and managers but also its suppliers, clients and other linked physical or legal persons.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATED TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms comprising the System of Internal Control over Financial Reporting (ICFR) of your company.

F.1. Control environment

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for (i) the existence and maintenance of an adequate and effective ICFR; (ii) their implementation; and (iii) their supervision.

The Internal Control System on Financial Information (ICFR) of Grupo SANJOSE is based on the principles and good practices of the reports published by the Committee of Sponsoring Organisations of the Treadway Commission that sets out the main guidelines for the implementation, management, and control of a system of internal control and corporate risk management.

The Board of Directors formally assumes the ultimate responsibility for the existence and correct application of Internal Control Systems on Financial Information: it verifies the existence and supervises the correct application of the Internal Control over Financial Reporting Systems.

The Board of Directors' role is to approve the risk control and management policy, and the regular monitoring of internal information and control systems. This function is carried out by the audit committee which, mainly through the annual internal audit plan, reviews and assesses adequate design and effectiveness of the Group's internal control system

The design, implementation, and operation of ICFR is the responsibility of the General Directorate of Administration and Finance Group, as set out in the Group's Policy on Supervision of Internal Control over Financial Reporting. However, regardless of whether this department is responsible, maximum involvement of the Group's management is required to be as involved as possible, insofar as the financial information is fed by the information generated by the different business and support areas, and must reflect the reality of the activity carried out by the Group.

The Internal Audit Department of Grupo SANJOSÉ is responsible for carrying out the supervision and evaluation tasks that arise from the Group's annual audit plan, those that may be expressly entrusted to it by the Group's Audit Committee, or any other tasks deemed appropriate and opportune.

F.1.2 State whether the following are present, especially if they relate to the creation of financial information:

Departments and/or mechanisms in charge of: (i) design and review of corporate structure; (ii) clear definition of lines of responsibility and authority with an adequate distribution of tasks and functions; and (iii) assurance that adequate procedures exist for proper communication throughout the entity.

The board of directors, on the basis of the reports drawn up by the Appointments, Remuneration and Corporate Governance Commission, and with the advice and participation of the Human Resources Department, as well as any other department deemed appropriate, is responsible for setting the structure for the first reporting line, in particular that related to the appointment and dismissal of senior management members. The latter, in turn, are responsible for setting changes in the structure within their departments, in coordination with the Human Resources Directorate, and with the prior authorisation of the board of directors.

With regard to the units and departments that directly intervene in the process of preparing and controlling financial information, the General Management and Finance Division of the Group are responsible for the design and definition of the organisational structure, establishing the main lines of responsibility and authority, with an adequate distribution of tasks and functions. The support and advice of the Human Resources Department is essential.

The Group has a section on the Intranet where the organisation chart and the functions of the main area managers are published. Access to such content is restricted according to the type of user.

Code of conduct, the body approving this, degree of dissemination and instruction, including principles and values, (state if there is specific mention of transaction recording and creation of financial information), a body charged with analysing breaches and proposing corrective actions and sanctions.

Grupo SANJOSÉ has an Organisation and Management Model for the Prevention of Crimes that has as its main objective to institutionalise the corporate ethical culture of the Group, which is oriented towards the compliance with the regulatory framework and the development and improvement of corporate social responsibility.

The Model is mainly composed of the Code of Conduct and the Anticorruption Policy, being approved by the Group's Board of Directors, and informed to the rest of the organisation, published on the Group's corporate website.

It contemplates formative actions that will affect the whole of the organisation, so that the adequate diffusion, understanding and commitment of all the affected agents is guaranteed.

The principles that constitute the sources which the Code of Conduct of the Group is based on, are those included in the United Nations Global Compact in the area of human rights, which are the following:

-To support and respect the protection of internationally proclaimed human rights.
-To not be complicit in human rights abuses.
-To uphold the freedom of association and the effective recognition of the right to collective bargaining.
-To eliminate all forms of forced and compulsory labour.
-To effectively abolish child labour.
-To eliminate the discrimination in respect of employment and occupation.
-To support a precautionary approach to environmental challenges.
-To undertake initiatives to promote greater environmental responsibility.
-To encourage the development and diffusion of environmentally friendly technologies.
-To work against corruption in all its forms, including extortion and bribery.

The Model considers as a basic pillar to ensure an adequate compliance culture, the existence of a series of tools, manuals, protocols, and procedures that the Group has implemented, which allow mitigating the risk of default or violation. It is worth highlighting the existence of computer control tools implemented in the Group, especially the ERP: Sigrid Gestión. It is a computer system aimed at management and planning of resources and business activities. It provides a complete computer system that, among others, includes the management of human resources, the planning and control of financial resources, commercial management, the integral management of works and projects, etc. In particular, it provides a powerful support for the registration of financial information and document management, ensuring an adequate and complete system of registration, documentation, and approval of transactions.

The ERP becomes a key element in the internal control system, especially in the system of internal control of financial information.

The body in charge of analysing potential breaches and proposing, if necessary, corrective actions and sanctions is the Surveillance Body. It is a body of internal character in charge of supervising the operation and compliance of the Model through the execution of, among others, the following functions:

-Revision of the adequacy of the Model and promotion of its update whenever it considers it appropriate.
-Promotion of the dissemination of the Model and supervision of the training activities carried out.
-Reception and management of complaints received through the Whistleblowing Channel.
-Instruction of internal review processes that are carried out when there is any indication of unlawful acts.
-Inform the Board of Directors.

The Supervisory Body is appointed by the Board of Directors, following a report from the Appointment, Remuneration and Good Governance Committee, and enjoys full autonomy and independence for the performance of its functions.

Whistle-blower channel, which allows notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, reporting, as the case may be, if this is of a confidential nature.

The Organisation and Management Model for the Prevention of Crimes established by the Group contemplates, among others, the existence of a whistleblowing channel.

The directors, executives and employees of the Group have the obligation to inform the Surveillance Body of any fact that they believe may constitute an offence or breach of the Model and the controls which the Model refers to (Code of Conduct, Anti-Corruption Policy, and other tools, manuals, protocols and internal procedures).

For the reporting of allegedly unlawful or constitutive acts of noncompliance (including irregular conduct of a financial, accounting or any other similar nature), the complainant may use any of the following channels, constituting the group's whistle-blower channel:
-By email, at the address established by the Group for these purposes.
-By telephone through a personal interview or conversation with the Compliance Officer.

Regardless of the formula chosen by the complainant, the Group fully guarantees the confidentiality of the identity of the complainant and, as the case may be, their anonymity.

The Compliance Officer will implement whatever measures deemed appropriate so as to assess, analyse and resolve the complaints, for what he may rely, on absolute discretion and confidentiality, on the support and advice on internal and/or external advisors.

With regards to accounting and financial irregular conducts, the Surveillance Body will report the issue to the Audit Committee.

Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control, and risk management.

Staff of Grupo SANJOSÉ involved in the preparation and review of financial information and the assessment of the ICFR receive training and updating on the regulations and the good practice necessary to guarantee the reliability of the financial information generated.

F.2 **Assessment of financial information risks**

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including error and fraud risk, as regards:

Whether the process exists and is documented.

The identification of risks is one of the most important stages in the overall process of the ICFR of Grupo SANJOSÉ. It has a double objective: a) To guarantee with reasonable security the reliability of the financial information provided to the market and, b) To support the responsibilities of the people involved in the preparation of the financial information.

The presence of the SANJOSÉ Group in various business areas and in different countries with different regulatory, political, and social environments means that the risks to be identified and managed are of a very varied nature. These are identified and analysed in the first instance by the General Management and Board of Directors of the Group, in order to adequately define the registration and control processes of the information and documentation, or to include the modifications to existing processes, in demand of the specific characteristics of the business to be carried out or of the regulatory framework of the country where the activity is carried out.

Additionally, among the works scheduled in the Group's Audit Plan, a review of the financial / accounting magnitudes of each unit that makes up the Group is included, as well as the most relevant transactions that may have been carried out, with a relatively high frequency throughout the year. In this work carried out by the Group's Internal Audit Department, the identification of risks, including errors or fraud, is particularly important, affecting the review processes contemplated in the Annual Audit Plan.

Annually, included as part of the Group Audit Plan that is presented to the Audit Committee for its approval, the Internal Audit Department identifies, evaluates, and updates the risks which the Group is exposed to, and proposes the proposed actions for review and control.

If the process covers all of the objectives of financial information, (existence and occurrence; completeness; valuation; delivery; breakdown and comparability; and rights and obligations), whether it is updated and with what frequency.

The identification and assessment of risks carried out by the Group covers all the objectives of the financial information: existence and occurrence, integrity, valuation, presentation, breakdown, and comparability, rights, and obligations.

The identification and evaluation of risks is carried out by the Administration and Finance Department, in a continuous manner, in response to the modifications that may occur in the Group's activity or business (new businesses, new locations, etc.). guaranteeing its adequate updating.

Additionally, the Internal Audit Department, on a monthly basis, reviews the main risk indicators that it has established, in order to guarantee the work previously carried out by the Administration and Finance Department.

The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex company structures, shell companies, or special purpose entities.

The Group relies on a documented internal process that guarantees the correct definition of the consolidation perimeter and the identification of any possible alteration that may affect it, through an adequate segregation of functions in the application, authorisation, communication and registration of any incorporation, merger, spin-off, acquisition or sale transaction of companies, as well as of any other corporate transaction, that implies for its execution, directly, and in a coordinated manner, the Corporate Departments of Central Administration, Consolidation, Legal and Tax, among others.

This process considers the possible existence of complex corporate structures, instrumental entities, or special purpose entities, among others, through the establishment of an adequate segregation structure of request, authorisation, and communication functions to carry out any corporate transaction in the Group.

If the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

The design of the ICFR of the Group is made from a global perspective, taking into account the possible effects of other risks (operational, technological, legal, reputational, environmental, etc.), including references and links to them.

The governing body within the company that supervises the process.

The Internal Audit Department of the Group is responsible for supervising the adequacy and correct application of the ICFR, in particular:

a) It follows up on the recommendations made and confirm their correct implementation by the General Directorate of Administration and Finance.
b) It issues an opinion (binding) on the changes proposed by the General Directorate of Administration and Finance, etc.
c) The General Directorate of Administration and Finance is responsible for periodically evaluating the ICFR, and ensuring its proper updating.

The risk identification process is presented, at least on an annual basis, by the Internal Audit Department to the Audit Committee for its supervision.

F.3. **Control activities**

State whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

The financial information and the description of the ICFR that is published in the securities markets is generated by the General Directorate of Administration and Finance. In the process of generating financial information, the control and authorisation procedures carried out by the different hierarchical and liability levels are particularly important.

The Internal Audit Department of the Group directly intervenes in the preparation of the individual and consolidated financial statements of each and every one of the companies that make up the Group and, in particular, of the financial information to be published periodically, reviewing and confirming the financial statements, as well as judgments, estimates, valuations and relevant projections taken into account by the General Directorate of Administration and Finance in its preparation.

As established in Article 16.7 of the Regulations of the Board of Directors, it is established as a function of the audit committee "to inform, in advance, to the board of directors, on all the matters foreseen in the Law, the bylaws and in the regulations of the board and, in particular, on: i) The financial information that the society must make public periodically. "

In the development of its functions, the audit committee requires explanations and / or documentation to the managers or workers they deem appropriate. In particular, the presence of the General Director of Administration and Finance and the Director of Internal Audit is required. Likewise, and at least referred to the half-year and annual closings, the presence of the external Auditor is required to confirm that said information is complete and that the criteria consistent with the previous annual closing have been followed.

Prior to its publication, the financial information is reviewed by the board of directors, based on the report presented by the chair of the audit committee. Additionally, it may require the presence, explanations and / or documentation to the people it deems appropriate and necessary to guarantee the quality of the information to be published.

F.3.2 Internal IT control policies and procedures (access security, change controls, their operation, operational continuity, and segregation of duties, among others) which support relevant processes within the company and relate to the creation and publication of financial information.

El Grupo SANJOSÉ has policies, standards and procedures of internal control of information systems and security management set within the MSIS or Management System of Safety of Information Systems, in accordance with international standards, such as ISO 27001, ISO27002.

Access to information systems is managed in accordance with the job title of positions, limitations are established by applicable regulations and business needs in order to ensure the reliability of the information.

Following corporate policy, Companies of the Group, coordinated by the Director of Systems, define access profiles, modification, validation, or query information based on each user's role, assigned under the criteria of an adequate segregation of duties.

Procedures have been established to ensure that installed software cannot be changed without specific permission. All information systems are protected against viruses and software updates are available to prevent hacking into information systems.

F.3.3 Internal control policies and procedures intended to guide the management of activities subcontracted to third parties, as well as those aspects of assessment, calculation or evaluation entrusted to independent experts, which may materially affect financial statements.

As a general rule, Grupo SANJOSÉ performs management controls of activities which may affect the reliability of financial statements by the direct use of internal resources, avoiding outsourcing activities.

The management of assessment activities, calculation or assessment procedures commissioned to independent experts refer mainly to real estate appraisal. The selection of such companies is performed according to methods consistent with the criteria established by "The Royal Institution of Chartered Surveyors" in implementing International Assessment Standards.

The reports on assets assessment are subjected to an internal review process to verify the adequacy of hypotheses and most significant assumptions used, as well as its compliance with International Accounting and Financial Assessment Standards.

F.4 Information and communication

State whether the company has at least the following, describing their main characteristics:

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The accounting policies adopted by the Group are in accordance with the provisions of the International Financial Reporting Standards adopted in the European Union (IFRS-EU), taking into account all the principles and accounting standards and the criteria for valuation of mandatory application of the IFRS-EU.

Due to the complexity of the applicable accounting regulatory framework, as well as the relative frequency of changes in the standard, the Group places great importance on the function of defining, maintaining, interpreting, and guaranteeing the application in a homogeneous manner.

This function is carried out in the General Administration and Finance Department, especially in the Consolidation Department, and there is full coordination with the Administration Department.

The Group has the appropriate procedures and mechanisms to transmit to the personnel involved in the process of preparing the financial information, the applicable performance criteria, as well as the information systems used in such processes.

F.4.2 Measures for capturing and preparing financial information with consistent formats for application and use by all of the units of the entity or the group, and which contain the main financial statements and notes, as well as detailed information regarding ICFR.

The Group's financial information is produced through a process consisting of aggregating individual financial statements for further consolidation in response to consolidation and accounting regulations on consolidated financial information publishing in the markets.

All of the units within the SANJOSÉ Group are required to submit detailed financial information using a single format and a CFO is responsible for each level of aggregation.

The Consolidation Department establishes the formats to use and analyses potential problems which may arise, reporting the same to the General Direction of Administration and Finance.

Virtually all of the Group's companies are integrated into the Group's ERP. This guarantees the accessibility to the accounting information at maximum detail, as well as the homogeneity in the application of the accounting policy. Additionally, in the process of aggregation and consolidation of the financial statements, the Group employs a computerised procedure, which includes multiple checks and automatic rework/life balance of the information, in order to guarantee the security of the process and the integrity and goodness of the information processed in search of inconsistencies in the registered data, before its validation.

F.5 Supervision of system performance

Describe at least the following:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function that has among its mandates support of the committee and the task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

Among the functions of the Audit Committee, the Board of Directors Regulation includes the monitoring of accounting and financial information, internal and external audit services, and corporate governance.

The ICFR monitoring activities undertaken by the Audit Committee include the following:

-To approve the internal audit plan for the assessment of Internal Control Systems of Financial Information Reporting and receive regular information on worked performed and a corrective action plan.

- To monitor the independence and efficacy of internal auditing; proposing the selection, appointment, re-election, and removal of the head of internal audit; proposing the department's budget; receiving regular feedbacks on its activities; and verifying whether senior management is acting on the findings and recommendations of the reports.

- To review on a semi-annual and quarterly basis the preparation of financial statements.

The Group has an Internal Audit Department responsible for the assurance and consulting functions, among other, supporting the Audit Committee on monitoring the internal control system of financial reporting.

The Internal Audit Department submits to the Audit Committee its annual working plan, reports directly of all incidents identified in its development, proposing possible corrective measures on the same. Likewise, work progress is reported regularly, and especially of the possible incidents identified in the development of the same, also informing of the corrective measures applied by the organisation to avoid its future occurrence.

F.5.2 If there is a procedure by which the account auditor (in accordance with the contents of the Normas Técnicas de Auditoría (NTA) - "Auditing Standards"), internal auditor and other experts may communicate with senior management and the audit committee or senior managers of the company regarding significant weaknesses in internal control identified during the review of the annual accounts or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses found.

The Audit Committee maintains a stable and professional relationship with the external auditors of Grupo SANJOSÉ and the main Group companies, with strict respect for their independence. This relationship facilitates communication and discussion of significant weaknesses of internal control identified during the revision of financial statements.

In addition, the audit committee requires the presence of the external auditor at least every six months. The external auditor reports on the external audit plan and the results of its execution, as well as on any shortcomings in the internal control system which may have been identified in the course of their work.

Likewise, the Department of Internal Audit assesses correction measures regarding implementing time and method. The Internal Audit Department reports on a regular basis to the Audit Committee of the main weaknesses identified as well as the correction process implemented.

F.6 Other relevant information

None

F.7 External auditor's report

Report on:

F.7.1 If the ICFR information submitted to the markets has been subject to review by the external auditor, in which case the entity will include its report as an attachment. If not, reasons why should be given.

Grupo San JOSÉ does not subject the ICFR information submitted to the markets to the review of external auditors.

G. EXTENT OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's level of compliance with recommendations from the Good Governance Code of Listed Companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation should be included explaining the reasons in such a manner that shareholders, investors and the market in general have enough information to judge the company's actions. General explanations are not acceptable.

1. That the Articles of Association of listed companies do not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of shares on the market.

   Complies [X]   Explanation [ ]

2. That, when the listed company is controlled, within the frameworks of Article 42 of the Commercial Code, by another entity, listed or not, and has, directly or through its subsidiaries, business relationships with said entity or one of its subsidiaries (other than those of the listed company) or carry out activities related to those of any of them publicly report with precision about:

   a) The respective areas of activity and eventual business relationships between, on the one hand, the listed company, or its subsidiaries and, on the other, the parent company or its subsidiaries.

   b) The mechanisms envisaged to resolve eventual conflicts of interest that may arise

   Complies [ ]   Complies Partially [ ]   Explanation [ ]   Not applicable [X]

3. That, during the course of the ordinary General Shareholders' Meeting, complementary to the distribution of a written Annual Corporate Governance Report, the chairman of the Board of Directors makes a detailed oral report to the shareholders regarding the most material aspects of corporate governance of the company, and in particular:

   a) Changes that have occurred since the last General Shareholders' Meeting.

   b) Specific reasons why the company did not follow one or more of the recommendations of the Code of Corporate Governance and, if so, the alternative rules that were followed instead.

   Complies [ ]   Complies Partially [X]   Explanation [ ]

The Board of Directors informs the AGM of any relevant deviations from the recommendations of the Code of Corporate governance.

4. That the company has defined and promoted a policy of communication and contact with shareholders, institutional investors and proxy advisors that complies in all aspects with rules preventing market abuse and gives equal treatment to similarly situated shareholders. And that the company has made such a policy public through its web page, including information related to the manner in which said policy has been implemented and the identity of contact persons or those responsible for implementing it.

   And that, without prejudice to the legal obligations for the dissemination of privileged information and other regulated information, the company also has a general policy regarding the communication of economic-financial, non-financial and corporate information through the channels it considers adequate (communication media, social networks or other channels) that contributes to maximizing the dissemination and quality of information available to the market, investors and other interest groups.

   Complies [X]   Complies Partially [ ]   Explanation [ ]

5. That the Board of Directors should not propose to the General Shareholders' Meeting any proposal for delegation of powers allowing the issuance of shares or convertible securities without pre-emptive rights in an amount exceeding 20% of equity at the time of delegation.

   And that whenever the Board of Directors approves any issuance of shares or convertible securities without pre-emptive rights the company immediately publishes reports on its web page regarding said exclusions as referenced in applicable company law.

   Complies [X]   Complies Partially [ ]   Explanation [ ]

6. That listed companies which draft reports listed below, whether under a legal obligation or voluntarily, publish them on their web page with sufficient time before the General Shareholders' Meeting, even when their publication is not mandatory:

   a) Report regarding the auditor's independence.

   b) Reports regarding the workings of the audit committee and the appointments and remuneration committee.

   c) Report by the audit committee regarding related-party transactions.

   Complies [X]   Complies Partially [ ]   Explanation [ ]

7. That the company reports in real time, through its web page, the proceedings of the General Shareholders' Meetings.

   And that the company has mechanisms that allow the delegation and the exercise of the vote by telematic means and even, in the case of companies with high capitalisation and to the extent that it is proportionate, the attendance and active participation in the General Meeting

   Complies [ ]   Complies Partially [ ]   Explanation [X]

Given that the company does not have a high level of stock market capitalisation and due to its low broadcasting percentage, it is not considered necessary to carry out a live transmission of the meeting. Article 19 of the general meeting regulations provides for the possibility so shareholders can cast their vote by post or electronic communication.

However, it should be noted that the last five shareholders' meetings have been held both online and in person, so that all shareholders wishing to do so were able to follow the meetings live on the company's web site.

8. That the audit committee ensures that the financial statements that the board of directors present to the general meeting of shareholders are prepared in accordance with accounting regulations. And that in those cases in which the account auditor has included any caveat in its audit report, the chairman of the audit committee clearly explains at the general meeting the opinion of the audit committee on its content and scope, becoming available to shareholders at the time of the meeting, together with the rest of the proposals and reports of the board, a summary of said opinion.

Complies [X] Complies Partially [ ] Explanation [ ]

9. That the company permanently maintains on its web page the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies [X] Complies Partially [ ] Explanation [ ]

10. That when a verified shareholder has exercised his right to make additions to the agenda or to make new proposals to it with sufficient time in advance of the General Shareholders' Meeting, the company:

a) Immediately distributes the additions and new proposals.

b) Publishes the attendance card credential or proxy form or form for distance voting with the changes such that the new agenda items and alternative proposals may be voted upon under the same terms and conditions as those proposals made by the Board of Directors.

c) Submits all of these items on the agenda or alternative proposals to a vote and applies the same voting rules to them as are applied to those drafted by the Board of Directors including, particularly, assumptions or default positions regarding votes for or against.

d) That after the General Shareholders' Meeting, a breakdown of the results of said additions or alternative proposals is communicated.

Complies [ ] Complies Partially [ ] Explanation [ ] Not applicable [X]

11. That, in the event the company intends to pay for attendance at the General Shareholders' Meeting, it establishes in advance a general policy of long-term effect regarding such payments.

Complies [ ] Complies Partially [ ] Explanation [ ] Not applicable [X]

12. That the Board of Directors completes its duties with a unity of purpose and independence, treating all similarly situated shareholders equally and that it is guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, and the promotion of continuity and maximisation of the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and in engaging in conduct based on good faith, ethics and a respect for commonly accepted best practices, it seeks to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders, as well as the impact of its corporate activities on the communities in which it operates and the environment.

Complies [X] Complies Partially [ ] Explanation [ ]

13. That the Board of Directors is of an adequate size to perform its duties effectively and collegially, and that its optimum size is between five and fifteen members.

Complies [X] Explanation [ ]

14. That the Board of Directors approves a selection policy devoted to favour a balance composition of the board and that:

a) Is concrete and verifiable.

b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the needs of the Board of Directors.

c) Favours diversity in knowledge, experience, age, and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of senior managers favour gender diversity.

That the resulting prior analysis of the needs of the Board of Directors is contained in the supporting report from the appointments committee published upon a call to the General Shareholders' Meeting submitted for ratification, appointment, or re-election of each director.

The appointments committee will annually verify compliance with the selection policy of directors and explain its findings in the Annual Corporate Governance Report.

Complies [X] Complies Partially [ ] Explanation [ ]

15. That proprietary and independent directors constitute a substantial majority of the Board of Directors and that the number of executive directors is kept at a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors represents at least 40% of the members of the board of directors before the end of 2022 and thereafter, not previously being less than 30%.

Complies [ ] Complies Partially [X] Explanation [ ]

Proprietary and independent directors constitute a majority of 8 to 4 as compared to executive directors.

Regarding the percentage of women members of the board of directors, it should be noted that in the 2023 AGM, a new female director was appointed, so that the board of directors has 3 female directors, i.e. 25% of the members of the board.

At the ordinary shareholders meeting in 2025 it will be proposed that Ms Amparo Alonso Betanzos be re-elected.

16. That the percentage of proprietary directors divided by the number of non- executive directors is no greater than the proportion of the equity interest in the company represented by said proprietary directors and the remaining share capital.

This criterion may be relaxed:

a) In companies with a high market capitalisation in which interests that are legally considered significant are minimal.

b) In companies where a diversity of shareholders is represented on the Board of Directors without ties among them.

Complies [X] Explanation [ ]

17. That the number of independent directors represents at least half of the total number of directors.

Nonetheless, when the company does not have a high level of market capitalisation or in the event that it is a high cap company with one shareholder or a group acting in a coordinated fashion who together control more than 30% of the company's equity, the number of independent directors represents at least one third of the total number of directors.

Complies [ ] Explanation [X]

18. That companies publish and update the following information regarding directors on the company website:

a) Professional profile and biography.

b) Any other Boards to which the director belongs, regardless of whether the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

d) The date of their first appointment as a director of the company's Board of Directors, and any subsequent re-election.

e) The shares and options they own.

Complies [X] Complies Partially [ ] Explanation [ ]

19. That the Annual Corporate Governance Report, after verification by the appointments committee, explains the reasons for the appointment of proprietary directors at the proposal of the shareholders whose equity interest is less than 3%. It should also explain, where applicable, why formal requests from shareholders for membership on the Board meeting were not honoured, when their equity interest is equal to or exceeds that of other shareholders whose proposal for proprietary directors was honoured.

Complies [ ] Complies Partially [ ] Explanation [ ] Not applicable [X]

20. That proprietary directors representing significant shareholders must resign from the Board if the shareholder they represent disposes of its entire equity interest. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors representing this shareholder.

Complies [X] Complies Partially [ ] Explanation [ ] Not applicable [ ]

21. That the Board of Directors may not propose the dismissal of any independent director before the completion of the director's term provided for in the Articles of Association unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties attendant to his post as a director, fails to complete the tasks inherent to his or her post, or enters into any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or similar transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of the proportionate representation criteria provided for in Recommendation 16.

Complies [X]   Complies Partially [ ]   Explanation [ ]

22. That companies establish rules that oblige directors to inform and, where appropriate, to resign when situations that affect them arise, related or not to their performance in the company itself, that may harm its credit and reputation, and, in particular, that oblige them to inform the board of directors of any criminal case in which they appear as investigated, as well as their procedural vicissitudes.

And that, having been informed or the board having otherwise known any of the situations mentioned in the previous paragraph, examine the case as soon as possible and, taking into account the specific circumstances, decide, following a report from the appointments and remuneration, whether or not to adopt any measure, such as opening an internal investigation, requesting the resignation of the director or proposing the removal. And that it be reported on the matter in the annual corporate governance report, unless there are special circumstances that justify it, which must be recorded in the minutes. It without prejudice to the information that the company must disseminate, if appropriate, at the time of the adoption of the corresponding measures.

Complies [X]   Complies Partially [ ]   Explanation [ ]

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies in the case of the secretary of the Board of Directors, despite not being a director.

Complies [X]   Complies Partially [ ]   Explanation [ ]   Not applicable [ ]

24. That when, either by resignation or by resolution of the general meeting, a director ceases in the position before the end of the mandate, he/she sufficiently explains the reasons for his resignation or, in the case of non-executive directors, his/her opinion on the reasons for the removal, in a letter that will be sent to all members of the board of directors.

And that, without prejudice to the fact that all this is reported in the annual corporate governance report, insofar as it is relevant for investors, the company publishes the termination as soon as possible including sufficient reference to the reasons or circumstances provided by the director.

Complies [X] Complies Partially [ ] Explanation [ ] Not applicable [ ]

25. That the appointments committee ensures that non-executive directors have sufficient time in order to properly perform their duties.

And that the Board rules establish the maximum number of company Boards on which directors may sit.

Complies [ ] Complies Partially [X] Explanation [ ]

The Company requires Members of the Board to devote sufficient time to properly carry out the tasks inherent to their position; the mechanism to achieve this is the remuneration system associated to the Board meetings of the, Committees, and the global allocation established by the Shareholders' Meeting.

Although the Board's Regulation does not set a maximum number of boards the Member may form part of, members of the board attending other boards are not numerous, so therefore it is not appreciated that there is a specific need to limit it.

26. That the Board of Directors meets frequently enough so that it may effectively perform its duties, at least eight times per year, following a schedule of dates and agenda established at the beginning of the year and allowing each director individually to propose items that do not originally appear on the agenda.

Complies [ ] Complies Partially [X] Explanation [ ]

When approving the annual calendar of meetings, the board of directors sets 5 meetings with a pre-established date, without prejudice to the fact that, if necessary, other meetings of the board may be held. During 2024 six meetings were held.

Board meetings are scheduled on a quarterly basis in order to report financial information to the market. In addition, a further board meeting is foreseen at the same date of the AGM so as to adopt or execute any resolution resulting from this meeting, if applicable.

Furthermore, the company's articles of association provide that the board of directors may also be convened by the co-ordinating director with the possibility for the latter to include new items on the agenda of a board meeting already convened.

The board of directors will also meet when requested to do so by directors representing at least one third of the members of the board of directors, if the chairperson fails to convene the meeting within one month, counting from when requested to do so by the directors, without just cause.

For all the above, the company considers that the board of directors meets with the necessary frequency to perform its functions effectively and does not consider it necessary to hold a minimum number of eight meetings per year.

27. That director absences only occur when absolutely necessary and are quantified in the Annual Corporate Governance Report. And when absences occur, that the director appoints a proxy with instructions.

Complies [ ] Complies Partially [X] Explanation [ ]

The director residing in the UAE does not usually attend the meetings of the board of directors nor does he delegate his representation to another director

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes, upon a request from the protesting party.

Complies [X] Complies Partially [ ] Explanation [ ] Not applicable [ ]

29. That the company establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies [X] Complies Partially [ ] Explanation [ ]

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances require.

Complies [ ] Explanation [X] Not applicable [ ]

Although there are no special refresher programmes in the company, directors are provided with information and advice from all company departments regarding the functions inherent to their position. Likewise, they receive timely information on new legislative developments affecting their competencies and those of the committees of which they are members.

31. That the agenda for meetings clearly states those matters about which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors will be necessary, and said consent will by duly recorded in the minutes.

Complies [X] Complies Partially [ ] Explanation [ ]

32. That directors will be periodically informed of changes in equity ownership and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [X] Complies Partially [ ] Explanation [ ]

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies [X]   Complies Partially [ ]   Explanation [ ]

34. That when there is a coordinating director, the Articles of Association or the Board rules should confer upon him the following competencies in addition to those conferred by law: chair of the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; reflect the concerns of non- executive directors; liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and coordinate a succession plan for the chairman.

Complies [ ]   Complies Partially [X]   Explanation [ ]   Not applicable [ ]

The coordinating director is specifically empowered by the articles of association and by the regulations of the board to perform the duties referred to in the wording of this recommendation, but he is not expressly empowered to coordinate the chairman of the board’s succession plan.

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account the recommendations regarding good governance contained in this Code of Good Governance and which are applicable to the company.

Complies [X]   Explanation [ ]

36. That the Board of Directors meets in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity of membership and competence of the Board of Directors.

d) Performance of the chairman of the Board of Directors and the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely upon the assistance of an external advisor for its evaluation, whose independence will be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group will be specified in the Annual Corporate Governance Report.

The process and areas assessed will be described in the annual corporate governance report.

Complies [ ] Complies Partially [X] Explanation [ ]

To date, the board has not deemed necessary to request the services of an external adviser to assess its performance.

37. When there is an executive committee with the presence of at least two non-executive directors, at least one of them being independent; and that its secretary is the secretary of the board of directors.

Complies [ ] Complies Partially [ ] Explanation [X] Not applicable [ ]

The Executive Committee consists of three executive directors and an independent director since this is understood to be the best arrangement in order to meet the group's management requirements.

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies [ ] Complies Partially [X] Explanation [ ] Not applicable [ ]

Minutes of the meetings held by the Executive Committee are available to directors.

39. That the members of the audit committee as a whole, in particular its chairman, are appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, and both financial and non-financial.

Complies [X]   Complies Partially [ ]   Explanation [ ]

40. That under the supervision of the audit committee, there must be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [ ]   Complies Partially [X]   Explanation [ ]

The Company has a unit that assumes the internal audit function and which ensures that the information and internal control systems work properly. Although functionally dependent on the general manager, it is available to the chairman of the audit committee for any issues or tasks he may entrust to it. The audit committee's chairperson usually attends this committee's meetings.

41. That the head of the unit that assumes the internal audit function presents to the audit committee, for its approval by the latter or by the board, its annual work plan, informs it directly of its execution, including possible incidents and limitations to the scope that are presented in its development, the results and the follow-up of its recommendations and submits an activity report at the end of each year.

Complies [X]   Complies Partially [ ]   Explanation [ ]   Not applicable [ ]

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a) To supervise and evaluate the process of preparation of the financial and non-financial information, as well as the control and management systems of financial and non-financial risks related to the company and, where appropriate, to the group - including operational , technological, legal, social, environmental, political and reputational or related to corruption issues - reviewing the compliance with regulatory requirements, the proper delimitation of the consolidation perimeter and the correct application of accounting criteria.

b) To ensure the independence of the unit that assumes the internal audit function; to propose the selection, appointment and removal of the person in charge of the internal audit service; to propose the budget for this service; to approve or propose approval to the board of the guidance and annual work plan of internal audit, ensuring that its activity is primarily focused on relevant risks (including reputational risks); to receive periodic information about your activities; and verify that senior management takes into account the conclusions and recommendations of its reports.

c) To establish and supervise a mechanism that allows employees and other people related to the company, such as directors, shareholders, suppliers, contractors, or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or of any other nature, related to the company that they notice within the company or its group. Said mechanism must guarantee confidentiality and, in any case, foresee cases in which communications can be made anonymously, respecting the rights of the complainant and the accused.

d) Generally, to ensure that the policies and systems established in the field of internal control are applied effectively in practice

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examine the circumstances which caused said resignation.

b) Ensure that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor’s independence.

c) Insist that the company file a relevant fact with the CNMV when there is a change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensure that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks accomplished and regarding the development of its accounting and risks faced by the company.

e) Ensure that the company and the external auditor comply with applicable rules regarding the rendering of services other than auditing, proportional limits on the auditor’s billing, and all other rules regarding the auditor’s independence.

Complies [X]　　Complies Partially [ ]　　Explanation [ ]

43. That the audit committee may require the presence of any employee or manager of the company, even without the presence of any other member of management.

Complies [X] Complies Partially [ ] Explanation [ ]

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draft a report beforehand to the Board of Directors regarding economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [X] Complies Partially [ ] Explanation [ ] Not applicable [ ]

45. That the risk management and control policy identify and determine, at a minimum:

a) The various types of financial and non-financial risks (among those operational, technological, legal, social, environmental, political, and reputational) which the company faces, including financial or economic risks, contingent liabilities, and other off-balance sheet risks.

b) A risk control and management model based on different levels, of which a specialised risk committee will be part when the sectoral regulations provide for it, or the company deems it appropriate.

c) The level of risk the company considers acceptable.

d) Means identified in order to minimise identified risks in the event they transpire.

e) Internal control and information systems to be used in order to control and manage identified risks, including contingent liabilities and other off-balance sheet risks.

Complies [X] Complies Partially [ ] Explanation [ ]

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal control and management function should exist delegated to an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensure the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage, and quantify all material risks that may affect the company.

b) Actively participate in the creation of the risk strategy and in important decisions regarding risk management.

c) Ensure that the risk management and control systems adequately mitigate risks as defined by policy issued by the Board of Directors.

Complies [X] Complies Partially [ ] Explanation [ ]

47. That members of the appointment and remuneration committee – or of the appointments committee and the remuneration committee if they are separate – are chosen taking into account the knowledge, ability, and experience necessary to perform the duties they are called upon to carry out and that the majority of said members are independent directors.

Complies [ ] Complies Partially [X] Explanation [ ]

The appointments and remuneration committee is comprised of two independent directors, the proprietary director and one of the other external directors, the status of the latter has changed, given that he went from independent to other external, since he had been working as a director in this post for 12 continuous years.

48. That high market capitalisation companies have formed separate appointments and remuneration committees.

Complies [ ] Explanation [ ] Not applicable [X]

49. That the appointments committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director may ask the appointments committee to consider potential candidates he or she considers appropriate to fill a vacancy on the Board of Directors.

Complies [X] Complies Partially [ ] Explanation [ ]

50. That the remuneration committee exercises its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Propose basic conditions of employment for senior management.

b) Verify compliance with company remuneration policy.

c) Periodically review the remuneration policy applied to directors and senior managers, including remuneration involving the delivery of shares, and guarantee that individual remuneration be proportional to that received by other directors and senior managers.

d) Oversee that potential conflicts of interest do not undermine the independence of external advice rendered to the Board.

e) Verify information regarding remuneration paid to directors and senior managers contained in the various corporate documents, including the Annual Report on Director Remuneration.

Complies [X] Complies Partially [ ] Explanation [ ]

51. That the remuneration committee consults with the chairman and the chief executive of the company, especially in matters relating to executive directors and senior management.

Complies [X] Complies Partially [ ] Explanation [ ]

52. That the rules regarding composition and workings of supervision and control committees appear in the rules governing the Board of Directors and that they are consistent with those that apply to mandatory committees in accordance with the recommendations above, including:

a) That they are comprised exclusively of non-executive directors, with a majority of them independent.

b) That their chairmen be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and detail their activities and accomplishments during the first plenary session of the Board of Directors held after the committee's last meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and the minutes be made available to all directors.

Complies [X] Complies Partially [] Explanation [ ] Not applicable [ ]

53. That the supervision of compliance with the policies and rules of the company in environmental, social and corporate governance matters, as well as the internal codes of conduct, will be attributed to one or distributed among several committees of the board of directors, which may be the audit committee, the appointment committee, a committee specialised in sustainability or corporate social responsibility or another specialist committee that the board of directors, in exercise of its self-organisation powers, has decided to create. And that such committee is made up solely of non-executive directors, being the majority independent and specifically assigned the minimum functions indicated in the following recommendation.

Complies [X] Complies Partially [ ] Explanation [ ]

54. That the minimum functions referred to by the above-mentioned recommendation are as follows:

a) Verification of compliance with internal codes of conduct and the company's corporate governance rules, making sure corporate culture is in line with the same.

b) Supervision of the application of the policy on communication strategy on financial and non-financial information, as well as the communication and relationship with shareholders and investors, including small- and medium-sized shareholders.

c) The periodic evaluation and review of the suitability of the company's corporate governance system, with the goal that the company promotes company interests and take into account, where appropriate, the legitimate interests of other stakeholders.

d) Follow-up of corporate social responsibility strategy and practice in environmental and social terms.

e) Supervision and evaluation of the way relations with various stakeholders are handled.

Complies [X] Complies Partially [ ] Explanation [ ]

55. That the sustainability policy in terms of environmental and social issues identifies and includes the following:

a) Concrete practices in matters related to shareholders, employees, clients, suppliers, social issues, the natural environment, diversity, fiscal responsibility, respect for human rights, and the prevention of unlawful conduct.

b) The methods or systems for monitoring compliance with policies, associated risks, and their management.

c) Means of supervising non-financial risk, ethics, and business conduct.

d) Communication channels, participation, and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [X] Complies Partially [ ] Explanation [ ]

56. That director remuneration is sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded by the post, while not being so excessive as to compromise the independent judgment of non-executive directors.

Complies [X] Explanation [ ]

57. That only executive directors receive remuneration linked to corporate results or personal performance, as well as remuneration in the form of shares, options, or rights to shares or instruments whose value is indexed to share value, or long-term savings plans such as pension plans, retirement accounts or any other retirement plan.

Shares may be given to non-executive directors under the condition that they maintain ownership of the shares until they leave their posts as directors. The foregoing will not apply to shares that the director may be obliged to sell in order to meet the costs related to their acquisition.

Complies [X] Complies Partially [ ] Explanation [ ]

58. That as regards variable remuneration, the policies incorporate limits and administrative safeguards in order to ensure that said remuneration is in line with the work performance of the beneficiaries and is not based solely upon general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk undertaken to achieve a given result.

b) Promote sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with rules and internal operating procedures and risk management and control policies.

c) Are based upon balancing short-, medium- and long-term objectives, permitting the reward of continuous achievement over a period of time long enough to judge creation of sustainable value such that the benchmarks used for evaluation are not comprised of one-off, seldom occurring, or extraordinary events.

Complies [X] Complies Partially [ ] Explanation [ ] Not applicable [ ]

59. That the payment of the variable components of the remuneration is subject to verification that the performance or other conditions previously established have been effectively met. The companies will include in the annual directors' remuneration report the criteria regarding the time required and methods for such verification based on the nature and characteristics of each variable component.

That, additionally, the companies value the establishment of a reduction clause ('malus') based on the deferral for a sufficient period of the payment of a part of the variable components that implies their total or partial loss in the event that previously at the time of payment, an event occurs that makes it advisable.

Complies [ ] Complies Partially [X] Explanation [ ] Not applicable [ ]

As a general rule, variable remuneration is determined and paid on the basis of the results recorded after the end of the financial year and after the issuance of the audit report. The company considers this to be a sufficient safeguard to check that the previously established performance conditions have been met and therefore it has not considered it necessary to regulate an additional or specific mechanism for the deferral or reimbursement of the payment of variable components.

On the other hand, the remuneration policy approved by the AGM on 18 April 2024 for financial years 2025, 2026 and 2027 stipulates that the determination and payment of the variable components of remuneration will take place once the preparation and auditing of the financial statements is complete, in order to verify that the conditions taken into account to determine them have been effectively fulfilled and will take into account any qualifications in the auditor's report that reduce the results for the year.

Likewise, should any event occur following that determination and, as the case may be, affecting the payment of said variable remuneration, the Board of Directors will assess whether it is appropriate to cancel, in whole or in part, the settlement of the variable remuneration, or, if appropriate, to offset it against future payments.

60. That remuneration related to company results takes into account any reservations which may appear in the external auditor's report which would diminish said results.

Complies [X] Complies Partially [ ] Explanation [ ] Not applicable [ ]

61. That a material portion of variable remuneration for executive directors depends upon the delivery of shares or instruments indexed to share value.

Complies [ ] Complies Partially [ ] Explanation [X] Not applicable [ ]

The AGM held on 30 March 2022 passed a resolution according to which members of the Board of Directors who have the status of executive directors, as well as any other executives as the Board of Directors may determine, could be entitled to receive shares in the Company as part of their variable remuneration.

It was also agreed to empower the board of directors to carry out the necessary actions for the implementation of the remuneration set out in the aforementioned resolution and in particular to determine the requirements and conditions to be met by the beneficiaries so as to be entitled to the remuneration by means of the delivery of shares.

The requirements and conditions to be met by the beneficiaries of this remuneration system have not yet been established.

62. Once the shares, options or financial instruments corresponding to the remuneration systems have been attributed, the executive directors cannot transfer their ownership or exercise them until after a period of at least three years has elapsed.

The exception is the case in which the director maintains, at the time of the transfer or exercise, a net economic exposure to the variation in the price of the shares for a market value equivalent to an amount of at least twice the annual fixed remuneration through the ownership of shares, options, or other financial instruments.

The foregoing will not apply to the shares that the director needs to dispose of to satisfy the costs related to their acquisition or, after a favourable assessment by the appointments and remuneration committee, to deal with extraordinary situations that may require it.

Complies [ ] Complies Partially [ ] Explanation [X] Not applicable [ ]

The Board of Directors has not yet determined the requirements and conditions to be fulfilled by the beneficiaries in order to be entitled to remuneration by delivery of shares.

63. That contractual arrangements include a clause which permits the company to seek reimbursement of variable remuneration components in the event that payment does not coincide with performance criteria or when delivery was made based upon data later deemed to be inaccurate.

Complies [ ] Complies Partially [ ] Explanation [X] Not applicable [ ]

Variable remuneration is determined and paid up based on the profit/(loss) for the year and upon the issuance of the audit report. The company understands that this constitutes a sufficient safeguard to verify that it meets conditions previously established, and therefore has not considered necessary the regulation of an additional or specific deferral mechanism or reimbursement of the payment of variable components.

Further, and as indicated in section G 59 above, the remuneration policy approved by the shareholders' meeting held on 18 April 2024 for the financial years 2025, 2026 and 2027 provides that the determination and payment of the variable components of the remuneration will be carried out once the financial statements have been prepared and audited in order to verify that the conditions established have been effectively met, and they will take into account any subsequent exceptions that appear in the auditor's report and reduce said results.

Likewise, should any event occur following that determination and, as the case may be, affecting the payment of said variable remuneration, the Board of Directors will assess whether it is appropriate to cancel, in whole or in part, the settlement of the variable remuneration, or, if appropriate, to offset it against future payments.

64. That payments made for contract termination will not exceed an amount equivalent to two years of total annual remuneration and that it will not be paid until the company has verified that the director has fulfilled all previously established criteria for payment.

For the purposes of this recommendation, among the payments for contractual termination, any payments whose accrual or payment obligation arises as a consequence or on the occasion of the termination of the contractual relationship that bound the director with the company, including long-term savings systems and amounts paid under post-contractual non-competition agreements, are taken into consideration.

Complies [ ] Complies Partially [ ] Explanation [X] Not applicable [ ]

Compensation for the termination of the contracts of executive directors consists of an escalation based on total remuneration and varies between an amount equivalent to a minimum of two and a maximum of three years of said remuneration. Contracts provide that the aforementioned amounts are paid at the time that the resolution or termination of the contract takes place.

H. FURTHER INFORMATION OF INTEREST

1. If there is any aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which is necessary in order to obtain a more complete and comprehensive picture of the structure and governance practices in the company or group, describe it briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not redundant.

   Specifically, state whether the company is subject to any corporate governance legislation other than that prevailing in Spain and, if so, include any information required under this legislation that differs from the data requested in this report.

3. The company may also state whether it voluntarily complies with other ethical or best practice codes, whether international, sector-based, or other. In such a case, name the code in question and the date the company began following it. It should be specifically mentioned that the company adheres to the Code of Good Tax Practices of 20 July 2010.

Grupo Empresarial San José has assumed as own the principles and guidelines enshrined in the United Nations Global Compact.

This Annual Corporate Governance Report was approved by the Board of Directors of the company at the meeting held on:

27/02/2025

State whether any directors voted against or abstained from voting on this report.

[ ] Yes
[√] No

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

ISSUER'S IDENTIFICATION DETAILS

Year-end date: 31/12/2024

TAX Id. # A-36046993

Company Name:

GRUPO EMPRESARIAL SAN JOSE, S.A.

Registered office:

ROSALIA DE CASTRO 44, BAJO (PONTEVEDRA)

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1.1. Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific, and concrete.

The specific determinations for the year in progress should be described, both the remuneration of directors in their status as such and as a result of their executive functions carried out for the Board pursuant to the contracts signed with executive directors and to the remuneration policy approved by the General Shareholders' Meeting.

In any event, the following aspects should be reported:

a) Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.

b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

c) Information on whether any external advisors took part in this process and, if so, their identity.

d) Procedures contemplated in the current remuneration policy for directors to apply temporary exceptions to the policy, conditions under which those exceptions may be invoked, and components that may be subject to exception according to the policy.

The board of directors is the competent body to determine the exact amount to be paid each year to each director of the Company within the limit set by the annual general meeting. This agreement must be adopted with the prior proposal of the appointment, remunerations, and Governance Committee, and in a manner consistent with the remuneration policy approved by the board.

Remuneration paid to each director will be determined in consideration of the given functions and responsibilities, the participation in the different committees and other objective circumstances deemed relevant.

Rules for the determination, approval, and application of the remuneration policy for the executive directors of Grupo Empresarial San José for the performance of executive functions in the Company (other than the functions linked to their status as members of the Board) are the following:

1st Fixed Remuneration

Executive directors may receive a maximum fixed annual remuneration which as overall will not exceed the amount of two million, five hundred thousand euros (€2,500,000).

At the proposal of the Committee, the Board will establish the amount of the fixed remuneration of each of the executive directors, in a way that is competitive with respect to other comparable entities by market and size and considering the circumstances of each financial year.

2nd Attendance allowances

3rd Variable remuneration

Annual variable remuneration

Executive directors will receive a variable annual cash remuneration which will be determined every year on the grounds of the achievement of the Company's economic, financial, and strategic objectives in the previous financial year. Likewise the degree of compliance with the social responsibility objectives set annually by the Board will be taken into account.

Annual variable remuneration will not exceed 200% of the fixed annual remuneration.

Medium and long-term annual remuneration

The company also contemplates the possibility of establishing incentive programs linked to the achievement of medium and long-term strategic objectives with the aim of promoting the retention and motivation of executive directors and aligning their performance with maximising sustainably over time the value of the San José Company Group.

The specifics of mid and long term variable remuneration will be implemented by the Board following a proposal by the Committee.

These systems could include the delivery of Company shares, of options over said shares or of remuneration rights linked to the value of the same, upon the agreement of the general meeting of shareholders following a proposal by the Board based on a report from the Committee. To this end the meeting held on 30 March 2022 agreed that members of the board of directors who had the status of executive director could receive Company shares as part of their variable remuneration.

This form of remuneration shall have a maximum duration of 4 years from the date of approval of the resolution of the board. The maximum number of shares that may be allocated in each financial year to this remuneration system shall be 650,260 shares.

The meeting resolved to empower the board of directors to carry out the necessary actions for the implementation of the aforementioned remuneration, and in particular to determine the requirements and conditions to be met by its beneficiaries in order to be entitled to the remuneration through the delivery of shares. The board of directors has not yet implemented the remuneration through the delivery of shares or options, nor has it fixed the requirements and conditions to be met by its beneficiaries.

The determination and payment of the variable components of the remuneration will be carried out once the annual statements have been prepared and audited. in order to verify that the conditions established for its determination have been effectively met, and will take into account any exceptions that appear in the auditor's report and reduce, where appropriate, said results. Likewise, in the event that after the determination and, where appropriate, payment of said variable remuneration, an event occurs that makes it advisable, the board of directors will assess whether it is appropriate to cancel, totally or partially, the liquidation of the variable remuneration, or if necessary, offset it with future settlements.

4th Assistance benefits and risk coverage
5th Indemnity clauses

In accordance with section 6 of article 529 (19) of the Law on Capital Companies, the board of directors is empowered to apply temporary exceptions to the remuneration policy. The application of this temporary exception must be justified by the approval of corporate operations that result in the benefit of the Company. The appointments, remuneration and good governance committee will be responsible for analysing the concurrent circumstances and submitting the corresponding report to the board of directors. On the basis of the information provided by this committee, the board will be the one that will ultimately decide on its approval, which, in any case, may only affect the variable component of remuneration.

Although no external advisor has been involved in the determination, approval and implementation of the remuneration policy, the remuneration of comparable companies has been taken into account to establish the criteria and amounts of directors' remuneration. In particular, the CNMV's annual report on corporate governance and remuneration of directors of listed companies for 2022 published on 13 September 2023 has been analysed.

A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to guarantee a suitable balance between the fixed and variable components of the remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adapt this to the long-term objectives, values and interests of the company, which will include, as the case may be, mention of any measures to guarantee that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of staff whose professional activities have a material impact on the risk profile of the company, and any measures to avoid conflicts of interest.

Furthermore, state whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or the handover of accrued and vested financial instruments, or if any clause has been approved reducing the deferred remuneration or that obliges the director to return remuneration received, when such remuneration has been based on certain figures that have clearly been shown to be inaccurate.

In accordance with Article 25.3 of the articles of association, the AGM sets the maximum amount of the annual remuneration that the Company allocates to all its directors in their capacity as such.

The setting of the exact amount to be paid in each year within that limit and its distribution among the different directors will correspond to the Board of Directors.

The maximum amount of annual remuneration for all the directors in their capacity as such is set at one million, five hundred thousand, euros (EUR 1,500,000). This maximum amount will remain valid as long as its amendment is not approved.

The remuneration that corresponds to the directors due to their status as such may include, within the legal and statutory framework, the following concepts:

a) Annual fixed allocation: Directors may receive a fixed annual amount that is in line with market standards, taking into account the functions and responsibilities attributed to each director, the membership of Board committees and the other objective circumstances as may be deemed appropriate by the Board of Directors.
b) Attendance allowances: The directors may receive certain amounts as attendance fees, either to the meetings of the Board or to the meetings of the committees which they belong to.
c) Statutory services and risk coverage: The Company will pay premiums corresponding to the civil liability insurance policy for directors and executives.

The remuneration attributed to each director will be determined in consideration of the functions and responsibilities attributed to each director, their membership in the different committees and the other objective circumstances considered relevant.

Remuneration for different concepts is determined by the Board on the ground of the performance, responsibility and dedication of each member taking into consideration compensation by market.

The four executive directors have received variable remuneration during 2024 for a total amount of 1,450,000 euros, representing less than 100% of their respective fixed remuneration. As explained in section B7, the board of directors has set this variable remuneration based on the general evolution and development of the activity, business and value of the Company (and in particular with respect to the 2023 results, due to the positive evolution of the contracted portfolio in that year and the level of cash), as well as other factors such as the performance of their executive duties, their personal performance and non-financial factors.

As indicated in section A.1.1. above, the determination and payment of the variable components of the remuneration shall be made after the annual accounts have been drawn up and audited in order to verify that the conditions established for their determination have been effectively met and shall take into account any qualifications stated in the auditor's report that reduce, where appropriate, such results. Should any event occur subsequent to the determination and payment of such variable remuneration that makes it advisable, the board of directors shall assess whether it is appropriate to cancel, in whole or in part, the settlement of the variable remuneration, or to offset it against future settlements.

A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their status as such.

It is expected that the amount of the fixed components to be accrued in 2024 by directors in their capacity as such will be approved at the meeting of the board of directors that is expected to be held next May.

The joint amount accrued by the directors during the 2024 has been as follows:

a) Annual fixed allocation of approximately 355,000 euros.
b) Board attendance fees amounting to 132,000 euros.
c) Compensation for membership of commissions amounting to 51,000 euros.
d) Bylaws and risk coverage: The company pays the amount of the premium corresponding to the civil liability policy for directors and executives amounting to 302,487 euros.

A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The total fixed amount to be accrued by executive directors for the performance of their executive functions in 2025 will be set at the meeting of the board of directors that will take place next May.

Until then, executive directors will continue to receive the same fixed remuneration that they would have received in 2024.

Fixed amounts received in 2024 by the executive directors has amounted to € 1,685,714.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The company pays the amount of the premium corresponding to the civil liability policy for directors and executives and a private healthcare assistance insurance amounting to €302,487.

A.1.6 Amount and nature of variable components, differentiating between those established in the short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration in the year in progress, explaining the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, deadline necessary and techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year explaining the criteria and factors that apply in terms of the time required and methods to verify that the performance conditions have been duly fulfilled.

State the range, in monetary terms, of the different variable components according to the degree of compliance with the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

1. Annual variable remuneration.

Executive directors may receive variable annual remuneration in cash to be determined each year based on the achievement of the Company's economic, financial, and strategic objectives in the previous year. Likewise, consideration will be given to the degree of compliance with the social responsibility objectives defined annually by the board, based on the importance they have in the creation of value, in the contribution to the business strategy and in the long-term sustainability of the Company.

Once the annual accounts have been prepared and audited, and after a report from the committee, the board shall determine the amount to be received by each executive director based on the degree of fulfilment of the objectives set for his position, the responsibilities of the executive director and the results of the company during the year. Executive directors do not participate in the deliberation and adoption of this decision.

Unless the board sets specific annual objectives, the objectives to which such remuneration is linked shall be understood to be the following:

i. A portion shall be determined on the basis of the overall performance and development of the Company's business, business and value, and the proper and proper performance of the executive director's duties, his personal performance, and non-financial factors, such as compliance with the Company's internal rules and procedures and its risk control and management policy.

ii. Another part shall be established according to economic indicators:
   - By membership of the executive committee: up to a maximum of 1% of the EBITDA of the Company.
   - By membership of the international executive committee: up to a maximum of 1.5% of the international turnover of the Company.

Annual variable remuneration shall not exceed 200% of annual fixed remuneration.

The Board of Directors shall pass on May 2024 the amount of the variable compensation for directors for their performance in 2023. In the previous year, it amounted to EUR 1,600,000.

2. Variable medium and long-term remuneration

To-date, the Company has no medium and long-term variable remuneration system.

The annual report on directors' remuneration for the previous year is submitted to the advisory vote of the shareholders' meeting.

A.1.7 Main characteristics of the long-term savings systems. Among other information, state the contingencies covered by the system, whether through defined contributions or benefits, the annual contribution that needs to be made to the defined contribution system, the benefits directors are entitled to in the event of defined benefit systems, the conditions under which economic rights are vested for directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the director, or deriving from the termination of the contractual relation, on the terms provided, between the company and the director.

State if the accrual or vesting of any of the long-term saving plans is linked to achieving certain objectives or parameters related to the short- or long-term performance of the director.

The Company does not make contributions to pension plans, individual and defined contribution systems, for executive directors, with coverage for contingencies such as retirement, disability, death, and severe dependence.

The company does not have any amount recorded or accumulated for pension, retirement, or similar benefits.

A.1.8 Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, on the terms provided between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, continuance in office or loyalty, which entitle the director to any type of remuneration.

There are no compensation or protection clauses for termination of functions of directors in their capacity as such.

Three executive directors (the chairman, the deputy-chairman, and a member) have foreseen in their respective contracts the following payments/compensation in case of termination of their contract:

Severance grant: In the cases of termination envisaged in the contract, the executive director will be entitled to receive compensation for termination, except in the event that such termination is due to a serious breach of any of the obligations of the executive director, in which case the director executive will not be entitled to receive any compensation. Severance grant shall be equivalent to:

(i) Three annual payments of the annual fixed remuneration of the executive director at the time of termination and of the last annual variable remuneration received by the executive director, if the aggregate of these two amounts is less than EUR 750,000.
(ii) Two and a half years of the annual fixed remuneration of the executive director at the time of termination and of the last annual variable remuneration received by the executive director, if the aggregate of these two amounts is greater than EUR 750,000, yet less than EUR 1,100.000.
(iii) Two annuities of the annual fixed remuneration of the executive director at the time of termination and of the last annual variable remuneration received by the executive director, if the aggregate is greater than EUR 1,100,000.

Likewise, the CEO, Mr José Luis González Rodríguez, includes Severance pay within his contract terms, being entitled to a two-year severance pay of the fixed remuneration at the time of termination of the Contract as well as a post-contractual non-competition clause for a period of two years.

A.1.9 State the conditions that contracts should respect for those exercising senior management functions as executive directors. Among others, information should be provided on the duration, limits on amounts of severance pay, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to hiring bonuses, compensation, and golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, any clauses or agreements on non-competition, exclusivity, continuance in office and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

Executive directors’ contracts will remain in force as long as they continue to be director executives of the Company.

In the cases of termination provided for in the contract, the executive director will be entitled to receive a compensation for termination according to the terms detailed in the above-mentioned paragraph.

The executive director may terminate the contract unilaterally and by his own will, bringing it to the attention of the Company in writing at least three months in advance. In case of non-compliance with the notice obligation, the executive director shall compensate the Company with an amount equivalent to the fixed remuneration applicable in the moment of termination of the contract corresponding to the unfulfilled period of notice.

During the period of notice, the Company may exempt the executive director from the performance of duties, although said director will continue to be entitled to the remuneration thereon.

The termination of the contract due to the unilateral withdrawal of the executive director will imply, automatically and with effect as from the same date the contract is terminated upon, the resignation from the position of director, and the revocation of as many faculties said director had been delegated in his favour by the board of directors, as well as all the powers granted to the director by the company.

During the term of the contract and unless there was express and written consent of the company, the executive director shall provide its services exclusively for the Company and the companies of its group.

The executive director may not provide any kind of services, directly or indirectly, under any kind of legal relationship, for third parties, or for his/her own account, even when the activities carried out are not concurrent with those of the company or those of the group, and all professional activity shall be dedicated to the company and the companies of the group

The provision of services or the performance of any other activity that results, for any reason, relevant or may require dedication by the executive director will require the prior authorisation of the board of directors.

The executive director undertakes to use the information of the company solely and exclusively for the purpose of complying with the functions entrusted in the contract. In addition, the executive director undertakes to keep and treat as confidential information and, in particular, not to disclose it to any third party or employee of the company without the prior consent of the company, except in the exercise of the functions entrusted in the contract or by legal imperative, and not to reproduce it, transform it or, in general, use it in a different way other than what is necessary for the exercise of the professional activity.

The executive director undertakes to return immediately to the company, upon request of this during the term of the contract and, in any case, and without need of request, upon its extinction, any kind of confidential information that has been disclosed to or has been created by the executive director.

The contract entered into with the CEO, Mr José Luis González Rodriguez, includes a non-competence clause for a two-year period.

A.1.10 The nature and estimated amount of any other supplementary remuneration accrued by directors in the year in progress in consideration for services rendered other than those inherent in the post.

Directors are not expected to receive any significant remuneration for services rendered other than those inherent to their position.

The four executive directors are not expected to receive additional remuneration other than that provided in their respective contracts for the provision of services.

A.1.11 Other items of remuneration like those deriving from the company providing advances, loans, guarantees or any other remuneration to the directors.

The company has not granted or plans to grant advances, credits, or guarantees to members of the board of directors.

A.1.12 The nature and estimated amount of any other planned supplementary remuneration accrued by directors in the year in progress that is not included in the previous sections, whether payment is made by the company or another group company.

Directors will not earn any supplementary remuneration, other than that indicated in this report.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or a modification of the policy already approved by the General Meeting.
b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.
c) Proposals that the board of directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted, and which are proposed to be applicable to the current year.

As a result of the end of the validity of the remuneration policy approved by resolution of the shareholders' meeting on 30 March 2021 and amended on 30 March 2022 for the period 21/24, the board of directors of GRUPO EMPRESARIAL SAN JOSÉ, S.A., at its meeting of 29 February 2024, agreed to propose to the Shareholders' Meeting the approval of a new directors' remuneration policy, which was approved at the General Shareholders' Meeting held on 18 April 2024.

The main changes implemented by this new policy compared to the previous one are the following:

1.- A new heading, "THE POLICY'S RELATIONSHIP WITH WORKERS' REMUNERATION CONDITIONS" has been incorporated

In order to establish the remuneration scheme for directors as well as to prepare this Policy, and in compliance with the provisions of the new article 529(19) 3.c) of the Law on Capital Companies, the remuneration scheme and policy for the Company's employees have been taken into account.

The remuneration of Grupo San José's staff is generally composed of, among other things, the following headings:

• Fixed remuneration, which is given by the Post occupied and according to the set salary band.
• Variable remuneration over the short, medium, and long term (if applicable, and in any case, it is not guaranteed), which allows the achievement of objectives to be rewarded.

The Policy is aligned with that of other employees since it shares the same principles of non-discrimination for any reason and due to the fact that both employees and directors are remunerated according to their professional worth, experience, responsibility, and contribution to the Company. As a result, directors' remuneration is in due proportion to the remuneration of the Company's employees.

2.- Under the heading "COMPETENT BODIES"

Some changes are introduced in the wording of this section with the intention of clarifying the decision-making process when determining, reviewing, and applying, this Policy, the intervention of the different bodies of the Company, and the different roles performed by each of them.

3.- The maximum amount of the annual remuneration for all directors in their capacity as such is increased by €500,000, with the new maximum amount being set at one million, five hundred thousand euros (€1,500,000).

4.- Under the heading dealing with the REMUNERATION STRUCTURE FOR EXECUTIVE DIRECTORS, the following changes are made:

a) Fixed annual remuneration

The maximum fixed annual remuneration is increased by €500,000, so that the new maximum fixed annual remuneration overall is set at two million five hundred thousand euros (€2,500,000).

b) Variable remuneration

Annual variable remuneration

It is established that in order to determine the amount of this variable remuneration, the degree of compliance with the social responsibility objectives defined annually by the Board will also be taken into account, based on the importance they have in creating value, contributing to the business strategy and the Company's long-term sustainability.

It is also included that in accordance with section 6 of article 529(19) of the Law on Capital Companies, the board of directors is empowered to apply temporary exceptions to the remuneration policy. The application of a temporary exception must be justified by the approval of corporate operations providing benefit to the Company. The appointments, remuneration and good governance committee will be responsible for analysing the concurrent circumstances and submitting the corresponding report to the board of directors. On the basis of the information provided by this committee, it will be the board who will ultimately decide on its approval, but, in any case, this may only affect the variable component of any remuneration.

4.- Finally, under the section "MAIN TERMS AND CONDITIONS OF THE CONTRACTS OF THE EXECUTIVE DIRECTORS"

Regarding the basic conditions that these contracts must respect, two new conditions are introduced, namely:

c) Advance notice.

In the event of a voluntary resolution by the director, any resignation must be made by giving at least 3 months' notice.

d) Social assistance systems

Subject to the agreement of the board of directors and a favourable report from the appointments, remuneration and good governance committee, the Company will arrange a supplementary social welfare system in favour of the Executive Director. The characteristics of the social provision system will be freely determined by the board of directors, in accordance with market standards.

A.3. Identify the direct link to the document where the current company remuneration policy is posted, which must be available on the web page of the company.

http://www.grupo-sanjose.com/data/pdf/1648665115_69917280.pdf

A.4 Explain, taking into account the data provided in Section B.4, the outcome of voting, of a consultative nature, by shareholders at the General Shareholders' Meeting on the annual report on remuneration for the previous year.

The item on the agenda of the shareholders' meeting at which the annual remuneration report for the previous year was put to a consultative vote was approved by 99.09% of the capital present or represented.

The remuneration policy for the three-year period 2025-2027 has taken this vote into account. It was put to the vote in the shareholders meeting held in 2024 and passed with 99.31% with the votes in favour of the capital present or represented.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and, as the case may be, the identity and the role of the external advisors whose services have been used in the process to apply the remuneration policy in the year ended.

Regarding those directors who have exclusively received attendance allowance for meetings of the board and the meetings of the commissions which they belong to, once the attendance of the member has been verified at the corresponding meeting, the payment order is notified to the financial department (Treasury) that carries out the payment in the following days.

Regarding the compensation consisting of an annual fixed allocation for directors in their condition as such, the Appointments, Remuneration and Corporate Governance Committee prepares a reasoned report in consideration of the duties and responsibilities attributed to each director, with the remuneration proposal addressed to the board of directors, which, if appropriate, proceeds to its approval.

For executive directors, in addition to the fixed remuneration established in their respective service lease contracts, the board of directors sets the variable remuneration corresponding to the previous year, following a report and proposal from Appointments, Remunerations and Corporate Governance Committee. Likewise, should there be any modification in the fixed remuneration of executive directors, the new amount would be agreed by the board of directors following a report and proposal by the appointments, remuneration and good governance committee.

The Appointments, Remunerations and Corporate Governance Committee is informed in advance and reports to the board on any decision to be adopted with regard to the application of the remuneration policy of each member.

B.1.2 Explain any deviation implemented during the period to the procedure established for applying the remuneration policy.

No deviations were implemented to the application procedure.

B.1.3 Explain whether any temporary exception to the remuneration policy has been applied and, if so, explain the given circumstances for such exceptional application, specific components of the remuneration policy implemented and the reasons for which the company deems such exceptional measures were necessary to face long-term interests and company sustainability as a whole. Specify, also, the impact of said exceptional measures on the remuneration of each member.

No exceptional measures were applied to the remuneration policy.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adapting them to the long-term objectives, values and interests of the company, including a reference to the measures that have been adopted to guarantee that the long-term results of the company have been taken into consideration in the remuneration accrued and that a suitable balance has been attained between the fixed and variable components of the remuneration, the measures that have been adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and the measures that have been adopted to avoid conflicts of interest, if appropriate.

The board of directors determines the variable remuneration for each year once the financial statements have been formulated and audited. Further, in 2023 it also did so upon the AGM having approved the financial statements; circumstance which is expected to occur again this year 2024.

The board deems that so as to establish the remuneration accrued, long-term outcome of the company and a balance between fixed and variable components should be achieved.

Likewise, the company's remuneration policy includes the power of the board to cancel, in whole or in part, the settlement of remuneration (or, where appropriate, offset it with future settlements) in the event that there is a subsequent modification of the profit/(loss) of the financial statements for the year which such remuneration was based on.

However, to date it has not been necessary to correct any dysfunction in the company's remuneration system, since the forecasts considered for the calculation of the remuneration proposals have coincided with the actual results.

The board considers that the decisions adopted have taken into account the risks that the audit committee analyses on a regular basis after gathering information from the external auditors, in order to reduce exposure to risks and adjust it to the objectives, values and long-term interests of company.

The measures adopted to avoid conflicts of interest have consisted of the affected directors, and in particular the executive directors, not participating in the remuneration decision-making process.

B.3 Explain how the remuneration accrued over the year meets the provisions contained in the current remuneration policy.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, as the case may be, how the variations in the performance of the company have influenced changes in the remuneration of directors and how the latter contribute to the short- and long-term results of the company.

The total remuneration of directors approved by the board of directors in 2024 represented 59.60% of the maximum amount of the current annual remuneration for all the directors.

In 2024 the directors have received a total remuneration that the board of directors considers consistent with the profit for the year.

The remuneration accrued and consolidated in the year complies with the current remuneration policy because it adheres to the different compensation concepts, respects the limits set in the policy and has been agreed based on the results obtained by the company both, in the previous financial year and in the forecast of those that will be obtained according to its strategic plan.

The variations in the performance of the company influence the variation in the remuneration of the directors, as was already noted in a restrictive sense in the period in which the company was subject to the restrictions of the refinancing of its debt (years from 2014 to 2018), and in the opposite direction with the extraordinary results obtained in 2019 due to the cancellation of its short-term and medium-term financial debt.

For the reasons mentioned above, there has been no accrued remuneration whose payment has been deferred.

B.4 Report on the result of the consultative vote at the General Shareholders'' Meeting on remuneration in the previous year, indicating the number of votes against that may have been cast:

	Number	% of total
Issued votes	3,539,770	6.96

	Number	% of issued
Negative votes	299,916	0.69
Positive votes	43,166,911	99.14
Blank votes		0.00
Abstentions	72,943	0.17

Notes

B.5 Explain how the fixed components accrued during the year by the directors in their capacity as such have been determined and how they have changed with respect to the previous year

The annual fixed allocation to directors in 2024 has been determined by the board of directors, on the proposal of the Appointments and Remunerations Committee, taking into account the functions actually performed, the special complexity to the dedication provided and to the different responsibilities assumed by each director.

This allocation in 2024 was approximately €37,500 higher than in the previous year.

Relative percentage and variation with regard to the previous year is as follows:

RAMON BARRAL ANDRADE 15.49%. The amount has been increased by 5,000 euros.
JOSE MANUEL OTERO NOVAS 15.49%. The amount has been increased by 5,000 euros.
AMPARO ALONSO BETANZOS 9.46%. The amount has been increased by 5,000 euros.
ENRIQUE MARTIN REY 9.46%. The amount has been increased by 5,000 euros.
ALTINA DE FÁTIMA 9.46%. The amount received has not changed.
ROBERTO ÁLVAREZ ÁLVAREZ 30.99%. The amount has been increased by 10,000 euros.
NASSER AL DAREI 0% No changes recorded.
MARIA JOSE ALONSO FERNANDEZ, 8.45%. The amount received has increased by 7,500 euros.

On the other hand, members have received attendance fees amounting to €2,000 for meetings of the board of directors, and €3,000 for meetings of the executive commission, €1,500 for meetings of the audit committee and the appointments, remunerations, and corporate governance committee and €3,000 for meetings of the international executive committee. These amounts are the same as those applied in previous years.

B.6 Explain how the salaries accrued by each one of the executive directors over the past financial year for the performance of management duties were determined, and how they have changed with respect to the previous year.

Fixed salaries accrued in 2024 by the executive directors were the following:

Jacinto Rey González: € 600,000, same amount accrued in the previous year.
Jacinto Rey Laredo: €450,000 - 14,286 euros more than in the previous year.
Javier Rey Laredo: €350,000 - 14,286 euros more than in the previous year.
José Luis González Rodríguez: € 285.714 – 50,000 euros more than in the previous year.

Said salaries are regulated under the terms of the corresponding service contracts, which provide that they can be modified annually by resolution of the board of directors at the proposal of the appointments, remunerations, and Corporate Governance Committee of the Company.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued in the year ended.

In particular:

a) Identify each of the remuneration plans that have determined the different variable remuneration accrued by each of the directors during the year ended, including information on their scope, date of approval, date of implementation, vesting conditions, if any, vesting periods and term, criteria used to assess performance and how this has impacted on the setting of the variable amount accrued, as well as the measurement criteria used and the time required to be able to adequately measure all the conditions and criteria stipulated, explaining in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance or other conditions to which the accrual and vesting of each component of variable remuneration was linked have been effectively met.

b) In the case of share options and other financial instruments, the general characteristics of each plan will include information on both the conditions to acquire unconditional ownership (vesting) and to exercise these options or financial instruments, including the price and term to exercise them.

c) Each one of the directors, together with their category (executive directors, proprietary external directors, independent external directors, and other external directors), that are beneficiaries of remunerations systems or plans that include variable remuneration.

d) As the case may be, information is to be provided on periods for the accrual or deferment of payment applied and/or the periods for withholding/unavailability of shares or other financial instruments, if they should exist.

Explain the short-term variable components of the remuneration systems:

Unless the Board sets specific annual objectives, the objectives to which such remuneration is linked shall be understood to be the following:

i.- A part of the variable remuneration shall be established according to the performance of the business and the value of the Company, as well as appropriate development of functions and responsibilities as executive directors, personal performance, and non-financial factors, such as the compliance with rules and internal procedures in terms of risk management.

ii.- Another part shall be established according to economic indicators:

- By membership of the executive committee: up to a maximum of 1% of the EBITDA of the Company.
- By membership of the international executive committee: up to a maximum of 1.5% of the international turnover of the Company.

Annual variable remuneration of executive members amounted in 2024 to €1,450,000.

As for now, delivery of shares or rights on shares or any other financial instruments are not considered.

Explain the long-term variable components of the remuneration systems:

During year 2024, no long-term variable remuneration has been accrued.

B.8 Indicate whether certain variable components have been reduced or clawed back when, in the case of the former, payment has been vested and deferred or, in the case of the latter, vested and paid, on the basis of data that have subsequently proved to be inaccurate. Describe the amounts reduced or clawed back through the application of the reduction or clawback clauses, why they were implemented and the years to which they refer.

No. This has not occurred up to the date of preparation of this report.

B.9 Explain the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is a defined contribution or benefit, the contingencies covered, the conditions for vesting economic rights for directors and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the director.

The company does not currently have any long-term saving systems.

B.10 Explain, where appropriate, the severance pay or any other type of payment deriving from early dismissal or early resignation, or from the termination of the contract upon the terms provided for therein, accrued and/or received by directors during the year ended.

The early termination of the director in his/her condition as such, for any reason, does not imply any compensation in favour of the director.

Contracts of executive directors provide for the termination of the contractual relationship in the following terms:

TERMINATION OF THE CONTRACT

The Contract will be terminated for the following reasons.

1.- Termination by mutual agreement of the Parties. The Contract may be terminated by the agreement between the executive director and the Company, as agreed by the Parties.

2.- Termination for unilateral will of the executive director

The executive director may terminate the contract unilaterally, informing the Company in writing at least three months in advance. In the event of default of notice, the executive director shall indemnify the Company with an amount equivalent to the fixed remuneration applicable at the time of termination of the contract corresponding to the period of unfulfilled notice. During the period of notice, the Company may exempt the executive director from the performance of his/her duties, although he/she will continue to receive the corresponding remuneration.

The termination of the contract by unilateral will of the executive director will automatically imply, with effect as from the same date on which the contract is terminated, his/her resignation from the position of director, and the revocation of any powers delegated to him/her by the board of directors, as well as all the powers granted to by the Company.

3.- Termination for reasons attributable to the Company

3.1 Termination at the Company's discretion

The Contract will be terminated by the will of the Company expressed by agreement of the board of directors, in accordance with the provisions of its by-Laws.

The Contract will also be terminated in the event of (i) cessation or non-renewal of the executive director as a director by resolution of the AGM, or (ii) total or partial revocation, as the case may be, of the powers delegated to the director by the board of directors or of the powers granted by the Company. However, the termination and subsequent and immediate appointment as director or the total or partial revocation of the aforementioned powers or powers and the subsequent and immediate delegation or granting of faculties or powers of analogous content shall not entail the termination of the Contract.

In the event of termination provided for in clause 10.3.1 of the contract, the executive director shall be entitled to receive the compensation for termination indicated below, except in the event that such termination is due to a serious breach of any of the obligations of the executive director, in which case the executive director will not be entitled to receive any compensation.

3.2 Other reasons for termination

The Contract will automatically be terminated, as a consequence of the death of the executive director or due to his/her legal incapacitation, declaration of total or superior permanent disability, or incapacity or temporary impossibility for the exercise of his/her functions for a period exceeding 12 months.

In any of the above cases, the revocation, if any, of the faculties and powers of the Executive Director will be automatic and neither this nor, where appropriate, his/her successors will be entitled to receive compensation, without prejudice to the endowments, insurance system or insurance that the Company would have contracted for t on behalf of the Executive Director in these cases, which will be consolidated in favour of this or its successors in title.

Severance pay:

In the cases of termination envisaged in the contract, the executive director will be entitled to receive compensation for termination, except in the event that such termination is due to a serious breach of any of the obligations of the executive director, in which case the director executive will not be entitled to receive any compensation.

Severance pay will be equivalent to:

(i) Three annual payments of the annual fixed remuneration of the executive director at the time of termination and of the last annual variable remuneration received by the executive director, if the aggregate of these two amounts is less than EUR 750,000.
(ii) Two and a half years of the annual fixed remuneration of the executive director at the time of termination and of the last annual variable remuneration received by the executive director, if the aggregate of these two amounts is greater than EUR 750,000, yet less than EUR 1,100. 000 euros.
(iii) Two annuities of the annual fixed remuneration of the executive director at the time of termination and of the last annual variable remuneration received by the executive director, if the aggregate is greater than EUR 1,100,000

Regarding the contract of the CEO, Mr José Luis González Rodríguez, his severance pay will consist of two annuities of the fixed remuneration received by him at the moment of termination of the contract.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, where appropriate, explain such changes. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

During the financial year 2024, the contracts of executive directors have not been modified.

B.12 Explain any supplementary remuneration accrued by directors as consideration for services rendered outside of their post.

The Second Deputy Chairman Mr Javier Rey Laredo received €17,395 as compensation for the services rendered to PAMSA, an investee company in which of Grupo San José has a 20% ownership interest.

B.13 Explain any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, their key characteristics and the amounts eventually returned, as well as the obligations taken on by way of guarantee or collateral.

The company has not granted advance payments, loans, or guarantees to any members of the board of directors.

B.14 Itemise the remuneration in kind accrued by the directors over the year, briefly explaining the nature of the different salary components

Directors of the company have not accrued any remuneration in kind unless executive directors who enjoy small compensation lacking significant importance consisting of medical insurance and the civil liability insurance programme for members and executives.

B.15 Explain the remuneration accrued by directors by virtue of payments made by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

Directors of the company have not accrued any remuneration under this heading.

B.16 Explain and detail the amounts accrued during the year in relation to any other remuneration item other than those listed above, whatever its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted or pending payment, the nature of the consideration received and the reasons why it would have been considered, where appropriate, if applicable, that it does not constitute remuneration to the director in his capacity as such or in consideration for the performance of his executive duties. and whether or not it has been considered appropriate to include it among the amounts accrued under "other items" in section C.

There are no other items of remuneration other than those mentioned in the sections above.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual financial year 2023
Mr JACINTO REY GONZÁLEZ	Executive Chairman	From 01/01/2024 to 31/12/2024
Mr JACINTO REY LAREDO	Executive Deputy Chairman	From 01/01/2024 to 31/12/2024
Mr JAVIER REY LAREDO	Executive Deputy Chairman	From 01/01/2024 to 31/12/2024
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ	CEO	From 01/01/2024 to 31/12/2024
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	Other External Director	From 01/01/2024 to 31/12/2024
Ms MARÍA AMPARO ALONSO BETANZOS	Independent Director	From 01/01/2024 to 31/12/2024
Mr RAMÓN BARRAL ANDRADE	Coordinating Director	From 01/01/2024 to 31/12/2024
Mr ENRIQUE MARTÍN REY	Proprietary Director	From 01/01/2024 to 31/12/2024
Mr JOSÉ MANUEL OTERO NOVAS	Independent Director	From 01/01/2024 to 31/12/2024
Mr ROBERTO ÁLVAREZ ÁLVAREZ	Other External Director	From 01/01/2024 to 31/12/2024
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	Independent Director	From 01/01/2024 to 31/12/2024
Mr NASSER HOMAID SALEM ALI ALDAREI	Other External Director	From 01/01/2024 to 31/12/2024

C.1 Complete the following tables regarding the individual remuneration of each director (including the salary received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration in cash (in thousand euros)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance grant	Other grounds	Total in f. year 2024	Total in f. year 2023
Mr JACINTO REY GONZÁLEZ		12		600	400				1,012	1112
Mr JACINTO REY LAREDO		12		450	350				812	798
Mr JAVIER REY LAREDO		12		350	350				712	698
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ		12		286	350				648	648
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	35	12	9						56	55
Ms MARÍA AMPARO ALONSO BETANZOS	35	12							47	42
Mr RAMÓN BARRAL ANDRADE	55	12	15						82	76
Mr ENRIQUE MARTÍN REY	35	12	6						53	48
Mr JOSÉ MANUEL OTERO NOVAS	55	12	15						82	76
Mr ROBERTO ÁLVAREZ ÁLVAREZ	110	12	6						128	118
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	30	12							42	31
Mr NASSER HOMAID SALEM ALI ALDAREI										

Notes

ii) Table of movements in the remuneration system based on shares and gross profits from shares or consolidated financial instruments .

Name	Name of Plan	Financial instruments at start of financial year 2024		Financial instruments vested during financial year 2024		Financial instruments consolidated during the financial year				Instruments matured but not exercised	Financial instruments at end of financial year 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No of equivalent/vested shares	Price of consolidated shares	Gross profit from vested shares or financial instruments (thousand €)	No. of equivalent shares	No. of instruments	No. of equivalent shares
Mr JACINTO REY GONZÁLEZ	Plan							0.00				
Mr JACINTO REY LAREDO	Plan							0.00				
Mr JAVIER REY LAREDO	Plan							0.00				
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ	Plan							0.00				
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	Plan							0.00				
Ms MARÍA AMPARO ALONSO BETANZOS	Plan							0.00				
Mr RAMÓN BARRAL ANDRADE	Plan							0.00				
Mr ENRIQUE MARTÍN REY	Plan							0.00				
Mr JOSÉ MANUEL OTERO NOVAS	Plan							0.00				
Mr ROBERTO ÁLVAREZ ÁLVAREZ	Plan							0.00				
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	Plan							0.00				

Name	Name of Plan	Financial instruments at start of financial year 2024		Financial instruments vested during financial year 2024		Financial instruments consolidated during the financial year				Instruments matured but not exercised	Financial instruments at end of financial year 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No of equivalent/vested shares	Price of consolidated shares	Gross profit from vested shares or financial instruments (thousand €)	No. of equivalent shares	No. of instruments	No. of equivalent shares
Mr NASSER HOMAID SALEM ALI ALDAREI	Plan							0.00				

Notes

iii) Long-term savings systems

Name	Remuneration from vesting of rights to savings systems
Mr JACINTO REY GONZÁLEZ	
Mr JACINTO REY LAREDO	
Mr JAVIER REY LAREDO	
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ	
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	
Ms MARÍA AMPARO ALONSO BETANZOS	
Mr RAMÓN BARRAL ANDRADE	
Mr ENRIQUE MARTÍN REY	

Name	Remuneration from vesting of rights to savings systems
Mr JOSÉ MANUEL OTERO NOVAS	
Mr ROBERTO ÁLVAREZ ÁLVAREZ	
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	
Mr NASSER HOMAID SALEM ALI ALDAREI	

	Contribution over the year from the company (thousand EUR)				Amount of funds accrued (thousand EUR)			
Name	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023
Mr JACINTO REY GONZÁLEZ								
Mr JACINTO REY LAREDO								
Mr JAVIER REY LAREDO								
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ								
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ								
Ms MARÍA AMPARO ALONSO BETANZOS								
Mr RAMÓN BARRAL ANDRADE								
Mr ENRIQUE MARTÍN REY								
Mr JOSÉ MANUEL OTERO NOVAS								

Name	Contribution over the year from the company (thousand EUR)				Amount of funds accrued (thousand EUR)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023
Mr ROBERTO ÁLVAREZ ÁLVAREZ								
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ								
Mr NASSER HOMAID SALEM ALI ALDAREI								

Notes

iv) Details of other items

Name	Item	Amount remunerated
Mr JACINTO REY GONZÁLEZ	Item	
Mr JACINTO REY LAREDO	Item	
Mr JAVIER REY LAREDO	Attendance allowance Board of Directors of an investee company	17
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ	Item	
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	Item	
Ms MARÍA AMPARO ALONSO BETANZOS	Item	
Mr RAMÓN BARRAL ANDRADE	Item	

Name	Item	Amount remunerated
Mr ENRIQUE MARTÍN REY	Item	
Mr JOSÉ MANUEL OTERO NOVAS	Item	
Mr ROBERTO ÁLVAREZ ÁLVAREZ	Item	
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	Item	
Mr NASSER HOMAID SALEM ALI ALDAREI	Item	

Notes

b) Remuneration of company directors for sitting on the boards of other group companies:

i) Remuneration in cash (thousand EUR)

Name	Fixed remuneration	Per diem allowances	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance grant	Other grounds	Total in f. year 2024	Total in f. year 2023
Mr JACINTO REY GONZÁLEZ		48							48	46
Mr JACINTO REY LAREDO										
Mr JAVIER REY LAREDO		19							19	18
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ										
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ										
Ms MARÍA AMPARO ALONSO BETANZOS										
Mr RAMÓN BARRAL ANDRADE										

Name	Fixed remuneration	Per diem allowances	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Severance grant	Other grounds	Total in f. year 2024	Total in f. year 2023
Mr ENRIQUE MARTÍN REY										
Mr JOSÉ MANUEL OTERO NOVAS										
Mr ROBERTO ÁLVAREZ ÁLVAREZ		58							58	55
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ										
Mr NASSER HOMAID SALEM ALI ALDAREI										

Notes

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of Plan	Financial instruments at start of financial year 2024		Financial instruments vested during financial year 2024		Financial instruments consolidated during the financial year				Instruments matured but not exercised	Financial instruments at end of financial year 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No of equivalent/vested shares	Price of consolidated shares	Gross profit from vested shares or financial instruments (thousand €)	No. of equivalent shares	No. of instruments	No. of equivalent shares
Mr JACINTO REY GONZÁLEZ	Plan							0.00				

Name	Name of Plan	Financial instruments at start of financial year 2024		Financial instruments vested during financial year 2024		Financial instruments consolidated during the financial year				Instruments matured but not exercised	Financial instruments at end of financial year 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No of equivalent/vested shares	Price of consolidated shares	Gross profit from vested shares or financial instruments (thousand €)	No. of equivalent shares	No. of instruments	No. of equivalent shares
Mr JACINTO REY LAREDO	Plan							0.00				
Mr JAVIER REY LAREDO	Plan							0.00				
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ	Plan							0.00				
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	Plan							0.00				
Ms MARÍA AMPARO ALONSO BETANZOS	Plan							0.00				
Mr RAMÓN BARRAL ANDRADE	Plan							0.00				
Mr ENRIQUE MARTÍN REY	Plan							0.00				
Mr JOSÉ MANUEL OTERO NOVAS	Plan							0.00				

Name	Name of Plan	Financial instruments at start of financial year 2024		Financial instruments vested during financial year 2024		Financial instruments consolidated during the financial year				Instruments matured but not exercised	Financial instruments at end of financial year 2024	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No of equivalent/vested shares	Price of consolidated shares	Gross profit from vested shares or financial instruments (thousand €)	No. of equivalent shares	No. of instruments	No. of equivalent shares
Mr ROBERTO ÁLVAREZ ÁLVAREZ	Plan							0.00				
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	Plan							0.00				
Mr NASSER HOMAID SALEM ALI ALDAREI	Plan							0.00				

Notes

iii) Long-term savings systems

Name	Remuneration from vesting of rights to savings systems
Mr JACINTO REY GONZÁLEZ	
Mr JACINTO REY LAREDO	

Name	Remuneration from vesting of rights to savings systems
Mr JAVIER REY LAREDO	
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ	
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	
Ms MARÍA AMPARO ALONSO BETANZOS	
Mr RAMÓN BARRAL ANDRADE	
Mr ENRIQUE MARTÍN REY	
Mr JOSÉ MANUEL OTERO NOVAS	
Mr ROBERTO ÁLVAREZ ÁLVAREZ	
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	
Mr NASSER HOMAID SALEM ALI ALDAREI	

	Contribution over the year from the company (thousand EUR)				Amount of accumulated funds (thousand EUR)			
Name	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023
Mr JACINTO REY GONZÁLEZ								
Mr JACINTO REY LAREDO								
Mr JAVIER REY LAREDO								
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ								
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ								

Name	Contribution over the year from the company (thousand EUR)				Amount of accumulated funds (thousand EUR)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		Savings systems with vested economic rights		Savings systems with non-vested economic rights	
	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023	Financial year 2024	Financial year 2023
Ms MARÍA AMPARO ALONSO BETANZOS								
Mr RAMÓN BARRAL ANDRADE								
Mr ENRIQUE MARTÍN REY								
Mr JOSÉ MANUEL OTERO NOVAS								
Mr ROBERTO ÁLVAREZ ÁLVAREZ								
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ								
Mr NASSER HOMAID SALEM ALI ALDAREI								

Notes

iv) Details of other items

Name	Item	Amount remunerated
Mr JACINTO REY GONZÁLEZ	Item	

Name	Item	Amount remunerated
Mr JACINTO REY LAREDO	Item	
Mr JAVIER REY LAREDO	Item	
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ	Item	
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	Item	
Ms MARÍA AMPARO ALONSO BETANZOS	Item	
Mr RAMÓN BARRAL ANDRADE	Item	
Mr ENRIQUE MARTÍN REY	Item	
Mr JOSÉ MANUEL OTERO NOVAS	Item	
Mr ROBERTO ÁLVAREZ ÁLVAREZ	Item	
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	Item	
Mr NASSER HOMAID SALEM ALI ALDAREI	Item	

Notes

c) Summary of remuneration (thousand €):

This should include a summary of the amounts corresponding to all the remuneration items included in this report that have accrued to each director (thousand €).

	Remuneration accrued at the Company					Remuneration accrued at group companies					
Name	Total Cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Total financial year 2024 company	Total Cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Total financial year 2024 group	TOTAL FINANCIAL YEAR 2024 COMPANY + GROUP
Mr JACINTO REY GONZÁLEZ	1012				1012	48				48	1060
Mr JACINTO REY LAREDO	812				812						812
Mr JAVIER REY LAREDO	712				712	19				19	731
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ	648				648						648
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ	56				56						56
Ms MARÍA AMPARO ALONSO BETANZOS	47				47						47
Mr RAMÓN BARRAL ANDRADE	82				82						82
Mr ENRIQUE MARTÍN REY	53				53						53
Mr JOSÉ MANUEL OTERO NOVAS	82				82						82

Name	Remuneration accrued at the Company					Remuneration accrued at group companies					
	Total Cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Total financial year 2024 company	Total Cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings systems	Remuneration for other items	Total financial year 2024 group	TOTAL FINANCIAL YEAR 2024 COMPANY + GROUP
Mr ROBERTO ÁLVAREZ ÁLVAREZ	128				128	58			58		186
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	42				42						42
Mr NASSER HOMAID SALEM ALI ALDAREI											
TOTAL	3674				3674	125			125		3799

Notes

C.2 Indicate the evolution in the last 5 years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company that have been in that position during the year, of the consolidated profit/(loss) of the company and of the average remuneration on an equivalent full-time basis of employees of the company and its subsidiaries who are not directors of the listed company.

	Accrued amounts and annual variation %								
	Financial year 2024	Variation % 2024/2023	Financial year 2023	Variation % 2023/2022	Financial year 2022	Variation % 2022/2021	Financial year 2021	Variation % 2021/2020	Financial year 2020
Executive directors									
Mr JACINTO REY GONZÁLEZ	1060	-8.46	1158	-8.68	1268	-7.38	1369	-12.47	1564

	Accrued amounts and annual variation %								
	Financial year 2024	Variation % 2024/2023	Financial year 2023	Variation % 2023/2022	Financial year 2022	Variation % 2022/2021	Financial year 2021	Variation % 2021/2020	Financial year 2020
Mr JACINTO REY LAREDO	812	1.75	798	4.59	763	6.56	716	7.67	665
Mr JAVIER REY LAREDO	729	1.82	716	5.14	681	7.75	632	13.67	556
Mr JOSE LUIS GONZÁLEZ RODRÍGUEZ	648	0.00	648	6.23	610	8.93	560	118.75	256
External directors									
Ms. ALTINA DE FATIMA SEBASTIAN GONZÁLEZ	56	1.82	55	1.85	54	-6.90	58	7.41	54
Mr ROBERTO ÁLVAREZ ÁLVAREZ	186	7.51	173	11.61	155	-7.19	167	13.61	147
Mr NASSER HOMAID SALEM ALI ALDAREI	0	-	0	-	0	-	0	-	0
Mr ENRIQUE MARTÍN REY	53	10.42	48	9.09	44	-20.00	55	3.77	53
Mr JOSÉ MANUEL OTERO NOVAS	82	7.89	76	11.76	68	-9.33	75	-6.25	80
Ms MARÍA AMPARO ALONSO BETANZOS	47	11.90	42	20.00	35	-12.50	40	-	0
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	42	35.48	31	-	0	-	0	-	0
Mr RAMÓN BARRAL ANDRADE	82	7.89	76	4.11	73	1.39	72	-6.49	77
Consolidated Profit/(loss) for the year									
	0	-	21,412	39.13	15,390	11.01	13,863	-37.15	22,059
Average remuneration of									

	Accrued amounts and annual variation %								
	Financial year 2024	Variation % 2024/2023	Financial year 2023	Variation % 2023/2022	Financial year 2022	Variation % 2022/2021	Financial year 2021	Variation % 2021/2020	Financial year 2020
employees									
	38	8.57	35	9.38	32	14.29	28	0.00	28

Notes

D. OTHER INFORMATION OF INTEREST

Whether there are any relevant issues relating to directors' remuneration that you have not been able to address in the previous sections of this report, but which are necessary to provide more comprehensive and fully reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

There are no relevant issues outside of those provided in this report.

This annual remuneration report has been approved by the board of directors of the company at its meeting on:

27/02/2025

State whether any directors voted against or abstained from voting on this report.

[ ] Yes
[√] No

STATEMENT OF RESPONSIBILITY

The board of directors of Grupo Empresarial San José, S.A., at its meeting on February 27, 2025, has formulated the consolidated annual accounts of the Company and its group companies, as well as the consolidated management report (which includes the statement of non-financial information, the annual corporate governance report and the annual report on directors' remuneration), in a European Electronic Unique Format (FEUE).

For the purposes of RD 1362/2007, of October 19 (art. 8.1 b) and art. 10) the administrators of Grupo Empresarial San José, S.A. undersigned, make the following declaration of responsibility:

To the best of your knowledge, the consolidated annual accounts prepared in accordance with the applicable accounting principles offer a complete image of the consolidated equity, the consolidated financial situation and the consolidated results of the Company and the companies included in the consolidation taken as a whole, and that the consolidated management report includes a faithful analysis of the evolution and business results of the issuer and the companies included in the consolidation taken as a whole, and also includes a description of the main risks and uncertainties to which they are subject. faces.

The administrators, as proof of their agreement, sign below

Mr. Jacinto Rey González	Mr. Jacinto Rey Laredo
Mr. Javier Rey Laredo	Ms. Amparo Alonso Betanzos
Ms. Altina de Fátima Sebastián González	Mr. Ramón Barral Andrade
Mr. José Manuel Otero Novas	Mr. Roberto Alvarez Álvarez
Mr. Enrique Martín Rey	Mr. Nasser Homaid Salem Ali Aldarei
Mr. José Luis González Rodríguez	Ms. María José Alonso Fernández

At the request of the president, today's board of directors meeting was held in a mixed format (in person and online via videoconference). All the directors attended the meeting except for: Mr. Nasser Homaid Salem Ali Alderei, who has not expressed any discrepancy regarding the formulation of the financial information, and Mr. Javier Rey Laredo, who has delegated his representation with voting instructions in favor of the first vice president, Mr. Jacinto Rey Laredo.

Javier Alonso
Secretario del consejo de administración

Don Juan Amor Fernández, Traductor-Intérprete Jurado de inglés, nombrado por el Ministerio de Asuntos Exteriores, Unión Europea y Cooperación, certifica que la que antecede es traducción fiel y completa al inglés de un documento redactado en español.

I the undersigned Juan Amor Fernández, sworn translator for the English Language, duly appointed by the Ministry for Foreign Affairs, European Union and Cooperation, do hereby certify that the foregoing is a true and faithful translation of the original Spanish document hereunto attached.

Águilas (Murcia) Spain, 26th February 2025

JUAN AMOR FERNÁNDEZ
Traductor-Intérprete Jurado
Alemán, Inglés, Italiano,
Portugués, Catalán
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