

## **Grupo Empresarial San José, S.A.**

Auditor's report

Annual accounts as of 31 December 2024

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 annual accounts

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

### Report on the annual accounts

---

#### Opinion

We have audited the annual accounts of Grupo Empresarial San José, S.A. (the Company), which comprise the balance sheet as at 31 December 2024, and the income statement, statement of changes in equity, cash flow statement and related notes for the year then ended.

In our opinion, the accompanying annual accounts present fairly, in all material respects, the equity and financial position of the Company as at 31 December 2024, as well as its financial performance and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as identified in note 2 of the notes to the annual accounts), and in particular, with the accounting principles and criteria included therein.

---

#### 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 annual accounts* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the 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 annual accounts of the current period. These matters were addressed in the context of our audit of the 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
<p><b>Valuation of equity instruments in group and associated companies</b></p> <p>The Company has equity investments in group and associated companies in the non-current assets of the balance sheet for a net amount of 101,688 thousand euros as of 31 December 2024, related to investments in group companies and associates. These investments have an acquisition cost of 126,105 thousand euros and an accumulated impairment of 24,417 thousand euros, as broken down in note 7.2 of the financial statements.</p> <p>As indicated in note 4.d, financial assets at cost are stated at cost, less, where applicable, by the accumulated amount of valuation adjustments for impairment. These corrections are calculated as the difference between their carrying amount and the recoverable amount, understood as the higher amount between their fair value less costs to sell and the present value of future cash flows derived from the investment. Unless there is better evidence of the recoverable amount of investments in equity instruments, the net equity of the investee is taken into consideration, corrected by any unrealized capital gains existing at the valuation date net of the tax effect.</p> <p>The significance of the amounts involved and the degree of estimation and judgment involved in calculating the recoverable amount make this area a key audit matter.</p>	<p>Our audit procedures have included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We have conducted an understanding of the accounting policies in relation to the valuation of the Company's equity instruments to assess their recoverability.</li> <li>• We have compared the investment cost of each equity instrument with the equity of the investees (consolidated equity attributable to the Company in the case of subgroups) and, if the last is lower, we have analyzed the calculation of the recoverable value made by the Company.</li> <li>• We have evaluated the reasonableness of existing unrealized capital gains, as well as the assumptions and estimates made by management to calculate the present value of cash flows derived from certain investments that support the recoverability of equity instruments.</li> </ul> <p>In addition, we have assessed the sufficiency and compliance with the regulatory framework of the information disclosed in the annual accounts regarding investments in group companies and associates.</p> <p>The result of the procedures carried out has allowed us to reasonably achieve the audit objectives for which they were designed.</p>

#### Other information: Management report

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

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

- Verify only that the 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 management report and the annual accounts as a result of our knowledge of the Company 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 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 management report is consistent with that contained in the 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 annual accounts**

---

The directors are responsible for the preparation of the accompanying annual accounts, such that they fairly present the equity, financial position and financial performance of the Company, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as the aforementioned directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the process of preparation and presentation of the annual accounts.

---

#### **Auditor's responsibilities for the audit of the annual accounts**

---

Our objectives are to obtain reasonable assurance about whether the 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 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 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the 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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity'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 entity'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 entity's audit committee, we determine those matters that were of most significance in the audit of the 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 file of the European single electronic format (ESEF) of Grupo Empresarial San José, S.A. for the 2024 financial year that comprises an XHTML file of the annual accounts for the financial year, 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 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 file prepared by the 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 annual accounts included in the aforementioned file completely agrees with that of the annual accounts that we have audited, and whether the format of these accounts has been effected, in all material respects, in accordance with the requirements established in the ESEF Regulation.

In our opinion, the digital file examined completely agrees with the audited annual accounts, and these are presented, in all material respects, in accordance with the requirements established in the ESEF Regulation.



Grupo Empresarial San José, S.A.

---

**Report to the audit committee**

---

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

---

**Appointment period**

---

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

---

**Services provided**

---

Services provided to the audited entity for services other than the audit of the accounts are disclosed in note 12.6 to the annual accounts.

In relation to the services provided to the subsidiary companies of the Company for services other than the audit of the accounts, refer to the audit report dated 27 February 2025 on the consolidated annual accounts of Grupo Empresarial San José, S.A. and its subsidiary companies, where these subsidiary companies have been consolidated.

---

PricewaterhouseCoopers Auditores, S.L. (S0242)

Original in Spanish signed by

Alfredo Arias Paradelo (23745)

27 February 2025

# **Grupo Empresarial San José, S.A.**

Financial Statements for the year ended  
31 December 2024 and Directors' Report

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

Translation into English of the Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

**GRUPO EMPRESARIAL SAN JOSÉ, S.A.**  
**BALANCE SHEET AS DECEMBER 31ST 2024 AND DECEMBER 31ST 2023**  
(Thousand of Euros)

	Note	31/12/2024	31/12/2023		Note	31/12/2024	31/12/2023
<b>NON-CURRENT ASSETS:</b>				<b>EQUITY:</b>			
Intangible assets	5	992	1,220	Share capital		1,951	1,951
Property, plant and equipment	6	474	513	Reserves		34,890	40,587
Investments in associates and joint ventures	7	103,258	102,951	Legal and statutory		390	390
Equity Investments in associates		101,688	101,626	Otras reserves		34,500	40,197
Loans to related companies	7 & 13.2	1,570	1,325	Profit for the year		8,069	4,057
Other non-current financial assets	7.1	10	10	<b>TOTAL EQUITY</b>	8	44,910	46,595
Deferred tax assets	11.3	9,013	9,571				
<b>TOTAL NON-CURRENT ASSETS</b>		113,747	114,265	<b>NON-CURRENT LIABILITIES</b>			
				Long-term provisions	9.1	1,299	2,207
				Non-current bank borrowings	10.1 & 13.2	66,672	66,672
				Deferred tax liabilities	11.3	2,394	2,319
				<b>TOTAL NON-CURRENT LIABILITIES</b>		70,365	71,198
<b>CURRENT ASSETS:</b>				<b>CURRENT LIABILITIES:</b>			
Trade and other receivables		6,382	17,657	Short-term provisions	9.2	430	430
Related companies receivables	7 & 13.2	1,621	2,984	Current bank borrowings	10.1 & 13.2	94	91
Other current assets	7.1	55	56	Payable to Group and associated companies	10.1 & 13.2	17,069	22,878
Public admisnitrations	11.1	4,706	14,617	Trade and other payables		5,913	3,976
Investments in associates and joint ventures	7.1 y 13.2	18,615	13,199	Trade payables	10.1	487	171
Short-term financial investments	7.1	3	3	Suppliers Group and associated companies	10.1 & 13.2	245	463
Cash and cash equivalents	7.3	34	44	Staff, remuneration payable	10.1	2,556	2,638
				Tax Payable	11.1	2,625	704
<b>TOTAL CURRENT ASSETS</b>		25,034	30,903	<b>TOTAL CURRENT LIABILITIES</b>		23,506	27,375
<b>TOTAL ASSETS</b>		138,781	145,168	<b>TOTAL EQUITY AND LIABILITIES</b>		138,781	145,168

Notes 1 to 16 of the accompanying notes form an integral part of the Balance Sheet at 31 December 2024.



## GRUPO EMPRESARIAL SAN JOSÉ, S.A.

### INCOME STATEMENT FOR YEARS 2024 AND 2023

(Thousand of Euros)

	<u>Note</u>	<b>Year 2024</b>	<b>Year 2023</b>
<b>CONTINUING OPERATIONS</b>			
<b>Revenue</b>	12.1	<b>22,091</b>	<b>21,121</b>
<b>Staff costs</b>		<b>(9,124)</b>	<b>(8,793)</b>
Wages and salaries		(7,767)	(7,399)
Social charges	12.2	(1,357)	(1,394)
<b>Other operating expenses</b>		<b>(6,601)</b>	<b>(5,662)</b>
Outside services	12.4	(6,483)	(5,630)
Tributes		(91)	(28)
Other operating expenses		(27)	(4)
<b>Depreciation and amortisation charge</b>	5 & 6	<b>(678)</b>	<b>(649)</b>
<b>PROFIT FROM OPERATIONS</b>		<b>5,688</b>	<b>6,017</b>
<b>Finance income</b>		<b>802</b>	<b>208</b>
In third	12.5 & 13.1	802	208
<b>Finance costs</b>		<b>(2,309)</b>	<b>(2,423)</b>
On debts to Group companies and associates	13.1	(2,296)	(2,420)
On debts to third parties		(13)	(3)
<b>Impairment and gains or losses on disposal of financial instrument</b>	7.2	<b>(29)</b>	<b>(552)</b>
<b>FINANCIAL PROFIT</b>		<b>(1,536)</b>	<b>(2,767)</b>
<b>PROFIT (LOSS) BEFORE TAXES</b>		<b>4,152</b>	<b>3,250</b>
Income Tax	11.2	3,917	807
<b>PROFIT (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>		<b>8,069</b>	<b>4,057</b>
<b>RESULT OF THE FINANCIAL YEAR [Benefits]</b>		<b>8,069</b>	<b>4,057</b>

Notes 1 to 16 of the accompanying notes form an integral part of the income statement for year 2024.

## GRUPO EMPRESARIAL SAN JOSÉ, S.A.

### STATEMENT OF CHANGES IN EQUITY FOR YEARS 2024 AND 2023

#### A) STATEMENT OF RECOGNISED INCOMES AND EXPENSES

(Thousand of Euros)

	Note	Year 2024	Year 2023
<b>PROFITS/(LOSSES) OF THE YEAR</b>		<b>8,069</b>	<b>4,057</b>
<b>Income and expenses recognised directly in equity</b>			
-For cash flow hedges		-	-
-Tax effect		-	-
<b>Total Income and expenses recognized directly in equity</b>		<b>-</b>	<b>-</b>
<b>Transfer to income statement</b>			
-For cash flow hedges		-	-
-Tax effect		-	-
<b>Total Trasfers to profits and losses account</b>		<b>-</b>	<b>-</b>
<b>TOTAL RECOGNISED INCOMES/(EXPENSES)</b>		<b>8,069</b>	<b>4,057</b>

## GRUPO EMPRESARIAL SAN JOSÉ, S.A.

### STATEMENT OF CHANGES IN EQUITY FOR YEARS 2024 AND 2023

#### B) STATEMENT OF CHANGES IN EQUITY

(Thousand of Euros)

	Note	Share capital	Insurance premium	Voluntary reserves	Profit of the year	TOTAL
<b>Balance at December 31, 2022</b>		<b>1,951</b>	<b>390</b>	<b>41,140</b>	<b>5,560</b>	<b>49,041</b>
Distribution of profit for year 2022:						
-To reserves		-	-	5,560	(5,560)	-
Dividends distribution	3	-	-	(6,503)	-	(6,503)
Total recognized income/expenses year 2023		-	-	-	4,057	4,057
<b>Balance at December 31, 2022</b>		<b>1,951</b>	<b>390</b>	<b>40,197</b>	<b>4,057</b>	<b>46,595</b>
Distribution of profit for year 2023:						
-To reserves		-	-	4,057	(4,057)	-
Dividends distribution	3	-	-	(9,754)	-	(9,754)
Total recognized income/expenses year 2024		-	-	-	8,069	8,069
<b>Balance at December 31, 2024</b>		<b>1,951</b>	<b>390</b>	<b>34,500</b>	<b>8,069</b>	<b>44,910</b>

Notes 1 to 16 of the accompanying notes form an integral part of the statement of changes in equity for year 2024.

## GRUPO EMPRESARIAL SAN JOSÉ, S.A.

### CASH FLOW STATEMENT FOR YEARS 2024 AND 2023

(Thousands of Euros)

	Note	Year 2024	Year 2023
<b>Cash flows from operating activities:</b>			
(+) Profit (Loss) before tax		4,152	3,250
(+) Depreciation and amortisation charge	5 & 6	678	649
(-) Financial income	12.5	(2,619)	(1,865)
(+) Financial costs		2,309	2,423
(+/-) Impairment and gains or losses on disposal of financial instruments	7.2	29	552
<b>Total Cash Flows from operating activities</b>		<b>4,549</b>	<b>5,009</b>
<b>Variation in working capital:</b>			
<u>Operating current assets</u>			
a) (Increase) / Decrease in inventories		-	-
b) (Increase) / Decrease in trade and other receivables		1,364	(937)
<u>Operating current liabilities</u>			
a) Increase / (Decrease) in trade and other payables		(1)	(3,379)
b) (Increase) / Decrease in other non financial liabilities		-	-
<b>Other operating activities cash flows</b>			
(-) Interest paid		(17)	(352)
(+) Interest received	12.5	802	341
(+) Dividends received	12.1	1,500	1,200
(-) Income tax paid in the year		8,574	(6,481)
(+/-) Other collections / (payments) due to operating activities		-	-
<b>1. TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>16,771</b>	<b>(4,599)</b>
<b>Investments:</b>			
(-) Intangible assets	5	(409)	-
(-) Property, plant and equipment and investment properties	6	-	(79)
(-) Shares and other financial assets	7	(1,000)	(1,000)
<b>Total Investments</b>		<b>(1,409)</b>	<b>(1,079)</b>
<b>Disposals:</b>			
(+) Shares and other financial assets		-	1,914
<b>Total Disposals</b>		<b>-</b>	<b>1,914</b>
<b>Other collections / (payments) due to financing activities</b>		<b>1,218</b>	<b>4,435</b>
<b>2. TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(191)</b>	<b>5,270</b>
<b>Dividends paid</b>	3	<b>(9,754)</b>	<b>(6,503)</b>
<b>Increase / (decrease) in borrowings</b>		<b>(6,836)</b>	<b>5,799</b>
Non-current		(1,651)	140
Current		(5,185)	5,659
<b>Other collections / (payments) due to financial activities</b>		<b>-</b>	<b>-</b>
<b>3. TOTAL NET CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		<b>(16,590)</b>	<b>(704)</b>
<b>4. EFFECT OF EXCHANGE RATE DIFFERENCES</b>		<b>-</b>	<b>-</b>
<b>TOTAL CASH FLOWS FOR THE YEAR</b>		<b>(10)</b>	<b>(33)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>44</b>	<b>77</b>
Changes in the year		(10)	(33)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>34</b>	<b>44</b>

Notes 1 to 16 of the accompanying notes form an integral part of the Cash Flow Statement for year 2024.

# **Grupo Empresarial San José, S.A.**

Notes for the year ended 31 December 2024

## **1. Incorporation, legal framework and business activities**

### ***a) Incorporation***

Grupo Empresarial San Jose, S.A. (hereinafter "the Company"), formerly Udra S.A., 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, Mr. Rafael Sanmartín 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 Company 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 Company, Parent of Grupo Empresarial San Jose and Subsidiaries (Grupo SANJOSE), has as main purpose the management and control of business activities developed by companies which is takes part in in a significant and lasting manner.

The purpose of the Company is also the development of real estate property; construction activity, either personally or for another party, natural or legal people, under management, contract or any other regime, of all type of buildings and works.

Also, the Company 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.

The Company's functional currency is the Euro.

## **2. Basis of presentation of the Financial Statements**

### ***a) Legal framework***

Financial statements have been prepared by the directors of the Company in compliance with applicable financial regulation set forth on:

- i) Code of Mercantile Law and similar.
- ii) Accounting Standard approved by Royal Decree 1514/2007 dated 16 November and adaptation for activity sectors.

- iii) Compulsory regulations passed by the Audit and accounting Institute regarding the Accounting Standards and similar.
- iv) Applicable Spanish regulation on the issue.

**b) Fair view**

These financial statements were prepared from the accounting records of the Company and are prepared in accordance with the accounting principles and rules in force, so that they show a true and exact image of the equity and financial situation of the company, changes in equity and cash flows occurred within the year. These financial statements, which were prepared by Directors of the company, will be subject to approval at the Shareholders' General Meeting are similar. expected to be approved without any changes. As far as they are concerned, the financial statements for year 2023 were approved by the Ordinary General meeting of Shareholders held on 18 April 2024, and recorded at the Trade Registry of Pontevedra.

**c) Critical issues on valuation and estimate of the degree of uncertainty**

In the preparation of the accompanying financial statements estimates were occasionally made by Directors of the Company to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The assessment of potential impairment losses of certain assets (see Notes 4.c and 4.d).
- The number of certain provisions (see Note 4.h and 4.i).
- The assessment of credit recovery feasibility (see Notes 4.f and 11.3).

Estimations have based prepared based on the best information available at the end of year 2024. Yet, due to its nature, future events may lead to its subsequent amendment (upwards or downwards) in future years, what would be done prospectively.

**d) Non-compulsory accounting principles applied**

No non-compulsory accounting principles have been applied. Further, Directors prepare the accompanying financial statements in accordance with all applicable accounting regulations and standards. All mandatory accounting principles have been applied.

**e) Associated items**

Certain items of the accompanying balance sheet, income statement, changes in equity and changes in cash flow statements are associated in groups in order to help their understanding; in the event of significant information, breakdown of the same has been included within the accompanying notes.

**f) Comparative information**

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

**g) Working capital and assets**

As shown in the accompanying balance sheet as of 31 December 2024 the Company has at said date a positive working capital amounting to EUR 1,528 thousand (EUR 3,528 thousand on 31 December 2023) as current assets are greater than current liabilities.

The Company records under current liabilities the debt with Group companies, derived from the existence of current account financing agreements with subsidiaries, as well as the fact that the Company is the parent of a Tax Group, that amounts on 31 December 2024 to EUR 17,069 thousand (EUR 22,878 thousand at 31 December 2023) (see Notes 4.f and 13.2). Directors of the Company do not expect difficulties to face payments of debts at maturity dates.

On 31 December 2024 and 2023, the Company records a positive net equity amounting to EUR 44,910 thousand and EUR 46,595 thousand, respectively.

#### ***h) Consolidation***

The Company is head of the group of dependent companies and associated (see Note 7.2), which issue separate financial statements. Consolidated financial statements for year 2024 have been prepared by the Directors of the Company, as well as the accompanying statements, in compliance with International Financial Regulations and Standards as adopted by the UE, the EC No 1606/2002 (hereinafter, "IFRS-UE"). Financial statements for year ended 31 December 2023 were approved on at the Annual General Meeting held on 19 April 2024 and registered at the Trade Register of Companies of Pontevedra.

The accompanying financial statements do not show changes in value arising from the consolidation of financial statements with associates.

Main items of the consolidated financial statements of the Company are as follows:

	<b>Thousand of euros</b>
Share capital and issuance rights	1,951
Reserves and equity attributed to the Parent	183,242
Net profit/(loss) for the year attributable to the Parent company	33,023
Total assets	1,304,094
Turnover	1,557,766

#### ***i) Changes in the accounting criteria***

During year 2024, no significant changes in accounting criteria have been applied with regards to those implemented in year 2023.

#### ***j) Correction of errors***

In the preparation of the accompanying financial statements, no significant errors leading to restatement of the amounts included under financial statements for the year ended 31 December 2023 have been recorded.

#### ***k) Assets of environmental nature***

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, which the Company forms part of, 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 the Company, and the companies within the Group, as well as the concern and awareness measures implemented internally so as to minimise the environmental impact, the Company 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 15).

### **3. Distribution of profit/(loss)**

Directors of the Company will propose the AGM the distribution of EUR 8,069 thousand profit for year 2024 according to the following breakdown:

	Thousand of euros
<b>Distribution base:</b>	
Current year profit	8,069
<b>Distribution:</b>	
To other reserves	8,069

There are no specific limitations on the distribution of dividends, other than those established in the Capital Companies Act and other regulations that apply to the Company.

During the last 5 years, the Company has distributed dividends. In the financial years 2020, 2021, 2022 and 2023, the gross amount was 0.10 euros per share, amounting to a total of 6,502,608.30 euros. In the 2024 financial year, the dividend distributed was 0.15 euros per share, amounting to a total of 9,753,912.45 euros.

#### **4. Accounting principles and measurement basis**

Main accounting principles and measurements used in the preparation of the accompanying financial statements for year 2024 and 2023 pursuant to Spanish National Chart of Accounts are as follows:

##### ***a) Intangible assets***

Intangible assets are recognised initially at acquisition or production cost. Subsequently they are measured at cost less any accumulated amortisation and any accumulated impairment losses, according to criteria set out by Note 4.c. Amortisation depends on useful life of assets. When the useful life of these assets cannot be qualified in a feasible way, they are amortised in a 10-year term.

##### **Goodwill:**

Goodwill is the excess of the cost of acquisition over the fair value of the identifiable assets and liabilities at the date of acquisition. Goodwill is allocated to each cash-generating unit and is not subject to amortisation. Subsequent to the initial recognition, goodwill is assessed at acquisition price less accumulated amortisation, and, if applicable, the accumulated amount of assessment correction for recognised impairment.

Goodwill is amortised during its useful life, in an independent way for each cash-generating unit. The Company amortises goodwill in a ten-year term.

Said cash generating units, on the other hand, are subject to impairment test on an annual basis in order to record the valuation correction.

Valuation write-down due to impairment loss is not derecognised in subsequent years

##### **Computer software:**

The Company recognises under this item all costs incurred in the acquisition and development of computer programmes and software, even those regarding web site update and maintenance. Regular maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred. Computer software is amortised on a straight-line basis over three years.

##### ***b) Property, plant and equipment***

Intangible assets are recognised initially at acquisition or production cost. The cost of property, plant and equipment acquired through business combinations is its fair value at the date of acquisition. Subsequently, it is reduced by the corresponding accumulated amortization and the valuation corrections for deterioration, if any, in accordance with the criteria mentioned in Note 4.c.

Regular maintenance, upkeep and repair expenses are recognised in the income statement on an accrual basis as incurred. On the other hand, 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.

The depreciation of property, plant and equipment is carried out using the straight-line method, based on the operational conditions of the assets or the acquisition of the asset, based on the estimated useful lives of each element or group of elements, according to the following detail:

Description	Years
Other items of property, plant and equipment	3 – 8

### **c) Asset impairment**

At the end of each year or whenever it is deemed necessary, the Company analyses the value of assets through the so-called "Impairment Test" in order to determine whether there is any indication that these assets have suffered an impairment loss which may have reduced its accounting value.

Recoverable amount is the higher of fair value less costs to sell and value in use.

Recoverable amounts for cash-generating units, and items of property, plant and equipment, are analysed, when possible, on an individual basis.

Projections are prepared by the management of the Company on the basis of past experience and based on the best available estimates, which are consistent with information from abroad.

In the event that an impairment loss is recognized for a cash-generating unit to which all or part of a goodwill has been allotted, the carrying amount of the goodwill corresponding to that unit is reduced first. If the impairment exceeds the amount of this, secondly, in proportion to its value in books, the other assets of the cash-generating unit are reduced, up to the limit of the greater of the following: its fair value less costs of sale, its value in use or zero.

When an impairment loss is derecognised in subsequent periods (event not possible for goodwill), the carrying amount of said cash generating units is increased in the same quantity as the estimated realisable value, yet carrying amount may never exceed initial carrying amount. The derecognising of an impairment write-down is recorded as income.

### **d) Financial assets**

#### *Classification*

Financial assets are classified into the following categories:

- a. Financial assets at amortised cost: it includes those financial assets which the Company invests in so as to receive the cash flows derived from the execution of the contract, and the contractual conditions of these assets give rise, on specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding.

In general terms, it includes:

- i) Credits for commercial transactions: originated in the sale of goods or in the provision of services for transactions with deferred payment, and
  - ii) Credits for non-commercial transactions: they come from loan or credit transactions granted by the Company whose collections are of a determined or determinable amount.
- b. Financial assets at cost: basically, the following investments are included in this category: a) equity instruments of Group companies, jointly controlled entities and associates and b) participating loans with contingent interest.

Companies of the Group are those managed and/or controlled directly or through their management by the Company itself. In addition to this, multi-group companies include those companies incorporated by means of an agreement and which imply joint management, by the partners.



#### *Initial recognition*

Financial assets are, in general terms, measured at fair value plus direct costs incurred. However, transaction costs directly attributable to assets recorded at fair value with changes in the income statement will be recorded in the income statement for the year.

In the event of investment in assets from the group companies, fees paid up to legal advisers or independent professionals as a result of investments in equity of companies of the Group are recognised at the income statement.

#### *Subsequent recognition*

Financial assets at amortised cost will be recorded applying said valuation criterion, allocating accrued interest to the income statement applying the effective interest rate method.

Financial assets at cost are valued at their cost, deducting any applicable cumulative sum of valuation corrections through impairment deducted. These corrections are calculated as the difference between the book value and the recoverable sum, the latter understood as whichever is the greater of the fair value less the costs of sale and the current value of the future cash flows derived from the investment. Unless there is better evidence of the recoverable amount, net equity of the investee company is taken into account, corrected for tacit capital gains existing on the valuation date.

#### *Impairment*

Financial assets at amortised cost or at cost are subject to an impairment test at the end of each reporting period. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised for the difference. Impairment is charged to the income statement.

Specifically, and with respect to valuation adjustments related to trade receivables and other receivable, criteria used by the Company to calculate the corresponding valuation adjustments, if any, consists of evaluating based on the solvency of the debtor and the maturity of the debt the recoverable amounts.

The Company recognises the derecognising of financial assets when they expire or whenever cash flow rights over the financial assets have been transferred together with the inherent risks, such as profits through sale of assets, factoring credit transfers, sale of assets with put option at fair value or financial assets lacking on behalf of the Company subordinated financing or any collateral or risk.

On the contrary, the Company does not write off the financial assets and recognises a financial liability for an amount equal to the consideration received, in the assignments of financial assets in which the risks and rewards inherent to its property are substantially retained, such as the discount of effects, the "factoring with recourse", the sales of financial assets with repurchase agreements at a fixed price or at the sale price plus an interest and the securitisation of financial assets in which the transferor retains subordinated financing or other guarantees that substantially absorb all expected losses.

#### **Interest and dividends from financial assets:**

In any event, interest and dividends on financial assets accrued subsequent to the time of acquisition are recognised as revenue in the income statement. The interest received on financial assets at amortised cost is acknowledged in accordance with the effective interest rate and the dividends shall be recorded when the right of the shareholder to receive dividends is declared.

For these purposes, in the initial valuation of the financial assets, the amount of the explicit interest accrued and not due at that time, as well as the amount of the dividends agreed by the competent body in the time of acquisition shall be recorded separately. "Explicit interest" shall be understood as those obtained by applying the contractual interest rate of the financial instrument.

Likewise, if distributed dividends unequivocally come from profit generated prior to the date of acquisition for the distribution of amounts greater than the profits generated by the investee as from the acquisition date, these shall not be recorded as income, and shall, in turn, reduce the book value of the investment. The judgement as to whether profits have been generated by the investee shall be made based exclusively on the profits recorded in the individual income statement as from the date of acquisition, unless the distribution charged to said profits if undoubtedly qualified as a recovery of the investment from the perspective of the entity receiving the dividend.

Interest and dividends derived from the holding of financial instruments in subsidiaries are recorded under the item "Net Turnover" in the income statement, given the consideration of the holding company, in accordance with the criteria of the Institute of Accounting and Auditing of Accounts collected in query 2 of BOICAC nº79 "Determination of the net amount of the turnover of a Holding Company".

#### **e) Financial Liabilities**

Financial liabilities assumed or incurred into by the Company correspond, basically, to financial liabilities at amortised cost, that is, debts and payables of the Company that have originated in the purchase of goods and services for traffic business transactions of the company, or those that, without having a commercial origin, nor being derivative instruments, come from loan or credit transactions received by the Company.

These liabilities are stated at their face value plus direct costs incurred in to. Subsequently, said liabilities are valued according to their amortised costs.

Assets and liabilities are presented separately in the balance sheet and are only presented at their net amount when the company has the enforceable right to offset the recognised amounts and, furthermore, intends to settle the net amounts or to execute the assets and cancel the liability simultaneously.

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

#### **f) Income tax**

"Grupo Empresarial San José S.A." and all Spanish subsidiaries which it holds a stake equal to or greater than 75%, are taxed on Corporate Income Tax under the Consolidated Income Statement since 2006.

Corporate income tax expense is calculated on the economic outturn, amendment, as the case may be, for permanent differences arising with respect to taxable income and that do not recur in subsequent periods.

Credits for deductions and bonuses generated are deducted from the individual accrued tax provided that their application is made by the Tax Consolidation Group in the year.

Credits for deductions and bonuses and credits for individual negative tax bases, prior to the incorporation of the company to the Tax Consolidation Group, are recorded whenever their future realisation is reasonably assured.

Differences between the individual taxable income and the pre-tax income for the year, derived from the different temporary imputation criteria used to determine both amounts and which may be reversed in subsequent periods, are recorded as prepaid income tax or deferred income tax, as appropriate.

Differences arising from the application of the Consolidated Taxation Tax Regime to the extent that they can be reversed in case of modification of the application of said regime, are recorded as prepaid taxes or deferred taxes for consolidation.

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.
- 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.
- Poligeneració Parc de L'Alba ST-4, S.A.
- GSJ Solutions, S.L.U.
- Fotovoltaica el Gallo 10, S.L.

#### **g) Revenue and expenditure**

Revenue and expenses are recognised on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises:

Ordinary income from the sale of goods and the provision of services is valued at the monetary amount received or, as the case may be, at the fair value of the consideration received, or expected to be received, and unless there is evidence to the contrary, it will be the agreed price deducting any discount, taxes and interest included in the nominal value of the credits. The best estimate of the variable consideration will be included in the valuation of income when its reversal is not considered highly probable.

Revenue recognition occurs when (or as) control over the promised goods or services is transferred to the customer.

Revenue recognised over time, as it corresponds to goods or services whose control is not transferred at a given moment in time, is valued considering the degree of completion of the provision at the balance sheet date, as long as reliable information is available to measure the degree of completion. Otherwise, revenue will only be recognised in an amount equivalent to the costs incurred into that are expected to be reasonably recovered in the future.

Income derived from commitments that are executed at a given time are recorded on that date, recording as inventories the costs incurred into up to the date of production of said goods or services.

#### **h) Provisions and contingencies**

When preparing the financial statements, the Directors of Company made a distinction between:

- a) 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.
- b) 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.

Financial statements include all the material provisions whose obligation to be settled is considered to be more likely. Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed on explanatory notes to the same.

Provisions, which 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, are 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.

As of 31 December 2024, the Company has recorded provisions for risks and expenses, which are intended to cover possible contingencies arising from the holding of financial investments (see Note 9.1).

***i) Termination benefits***

In accordance with current legislation, the Company is obliged to pay compensation to those employees who, under certain circumstances, have their employment contracts terminated. Compensation for redundancy liable to objective quantification is registered as an expense for the financial year in which the decision concerning the redundancy is taken. At 31 December 2024, the company has not recorded any entry for this item.

***j) Transactions with associates***

The Company undertakes all operations with associated companies at market values. In addition, the prices of transfer are borne appropriately, and the Company Directors do not therefore believe there are any significant risks in this regard of any substantial liabilities arising in the future.

***k) Treasury shares***

Equity instruments issued by the Company are recognised under net equity at the proceeds received, net of direct issue costs.

The Company's own shares acquired during the year are recorded, directly at the value of the consideration given in exchange, as a lower value of Net Equity. The results of the purchase, sale, issuance or amortisation of equity instruments are recognised directly in equity, without in any case registering any result in the Income Statement.

As 31 December 2024 and 2023, the Company does not hold treasury shares. Likewise, no transactions involving treasury shares were carried out during years 2024 and 2023 (see Note 8.5).

***l) Classification of current assets and liabilities***

Current assets are those linked to the normal operating cycle, usually a one-year period, also those assets whose maturity, disposal or realisation is expected to occur in the short term from the end of the year, financial assets held for trading, with the exception of financial derivatives whose settlement period is greater than a year, and cash and cash equivalents. Assets not fulfilling these requirements are qualified as non-current.

Likewise, current liabilities are those linked to the normal operating cycle, financial liabilities held for trading, with the exception of financial derivatives whose settlement period is greater than a year, and in general all liabilities whose maturity or extinction will occur in the short term. Otherwise, they qualify as non-current.

***m) Cash flow Statement***

The following terms are used in the consolidated cash flow statement:

- 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.
- Operating activities: the principal revenue-producing activities of the Group and other activities than investing or financing.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- 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. Intangible assets**

Breakdown of this item for years 2024 and 2023 is as follows:

Year 2024:

	Thousand of euros		
	Balance 31/12/2023	Additions / (Provisions)	Balance 31/12/2024
<b>Cost:</b>			
Goodwill	6,095	-	6,095
Computer software	150	409	559
<b>Total Cost</b>	<b>6,245</b>	<b>409</b>	<b>6,654</b>
<b>Accumulated amortisation:</b>			
Goodwill	(4,876)	(610)	(5,486)
Computer software	(149)	(27)	(176)
<b>Total Accumulated amortisation</b>	<b>(5,025)</b>	<b>(637)</b>	<b>(5,662)</b>
<b>Net cost</b>	<b>1,220</b>	<b>(228)</b>	<b>992</b>

Year 2023:

	Thousand of euros		
	Balance 31/12/2022	Additions / (Provisions)	Balance 31/12/2023
<b>Cost:</b>			
Goodwill	6,095	-	6,095
Computer software	150	-	150
<b>Total Cost</b>	<b>6,245</b>	<b>-</b>	<b>6,245</b>
<b>Accumulated amortisation:</b>			
Goodwill	(4,269)	(607)	(4,876)
Computer software	(146)	(3)	(149)
<b>Total Accumulated Amortisation</b>	<b>(4,415)</b>	<b>(610)</b>	<b>(5,025)</b>
<b>Net cost</b>	<b>1,830</b>	<b>(610)</b>	<b>1,220</b>

The Company has recorded under its balance sheet a goodwill amounting to EUR 6,095 thousand, associated to the stake in "Constructora San José, SA", which is the main Cash Generating Unit (UGE) of Grupo SANJOSE, of which the Company is Parent Company.

In order to proceed with its amortisation, the Company estimates a 10-year useful life, and a linear recovery according to a prospective approach, as of 1 January 2016. Further, the directors of the Company carry out regular reviews of the recovery of these assets, according to expected flows pursuant to the business plan of the Group. At 31 December 2024, no impairment is recorded under this item.

The cost of the assets fully amortised at 31 December 2024 and 2023 amounts to EUR 149 and 146 thousand, respectively.

## **6. Property, plant and equipment**

Breakdown of this item for years 2024 and 2023 is as follows:

Year 2024:

	Thousand of euros			
	Balance 31-12-2023	Additions / (Provisions)	Disposals	Balance 31-12-2024
<b>Cost:</b>				
Other items of property, plant and equipment	1,376	-	(1)	1,375
<b>Total Cost</b>	<b>1,376</b>	<b>-</b>	<b>(1)</b>	<b>1,375</b>
<b>Accumulated amortisation:</b>				
Other items of property, plant and equipment	(863)	(39)	1	(901)
<b>Total Accumulated amortisation</b>	<b>(863)</b>	<b>(39)</b>	<b>1</b>	<b>(901)</b>
<b>Net property, plant and equipment</b>	<b>513</b>	<b>(39)</b>	<b>-</b>	<b>474</b>

Year 2023

	Thousand of euros			
	Balance 31-12-2022	Additions / (Provisions)	Disposals	Balance 31-12-2023
<b>Cost:</b>				
Other items of property, plant and equipment	1,298	79	(1)	1,376
<b>Total Cost</b>	<b>1,298</b>	<b>79</b>	<b>(1)</b>	<b>1,376</b>
<b>Accumulated amortisation:</b>				
Other items of property, plant and equipment	(825)	(39)	1	(863)
<b>Total Accumulated Amortisation</b>	<b>(825)</b>	<b>(39)</b>	<b>1</b>	<b>(863)</b>
<b>Net property, plant and equipment</b>	<b>473</b>	<b>40</b>	<b>-</b>	<b>513</b>

This item includes mainly equipment for the treatment of information.

Carrying net cost at 31 December 2024 and 2023 amounts to EUR 810 and 811 thousand, respectively.

It is the policy of the Company to take out insurance policies in order to cover any such possible risks as may affect tangible fixed asset items. Directors considered current insurance to be enough and sufficient.

## 7. Financial Assets

The breakdown under this item at 31 December 2024 and 2023 is as follows:

Year 2024:

	Thousand of euros						
	Non-Current			Current			TOTAL
	Heritage Instruments	Debt securities	Derivatives and Other	Heritage Instruments	Debt securities	Derivatives and Other	
Financial assets at amortized cost (Note 7.2)	-	-	10	-	-	20,294	20,304
Financial assets at cost (Note 7.2)	101,688	-	1,570	-	-	-	103,258
<b>TOTAL</b>	<b>101,688</b>	<b>-</b>	<b>1,580</b>	<b>-</b>	<b>-</b>	<b>20,294</b>	<b>123,562</b>

Year 2023:

	Thousand of euros						
	Non-Current			Current			TOTAL
	Heritage Instruments	Debt securities	Derivatives and Other	Heritage Instruments	Debt securities	Derivatives and Other	
Financial assets at amortized cost (Note 7.2)	-	-	10	-	-	16,242	16,252
Financial assets at cost (Note 7.2)	101,626	-	1,325	-	-	-	102,951
<b>TOTAL</b>	<b>101,626</b>	<b>-</b>	<b>1,335</b>	<b>-</b>	<b>-</b>	<b>16,242</b>	<b>119,203</b>

### 7.1. Assets at amortised cost

The breakdown under this item at 31 December 2024 and 2023 is as follows:

	Thousand of euros	
	31/12/2024	31/12/2023
<b>Non-Current:</b>		
-Other non-current financial assets	10	10
<b>Current:</b>		
-Related companies receivables (Note 13.2)	1,621	2,984
-Other debtors	55	56
-Investments in related and associates companies (Note 13.2)	18,615	13,199
-Other short-term financial assets	3	3
<b>Total</b>	<b>20,304</b>	<b>16,252</b>

The balance of "Investments in Group companies and associates in the short term" corresponds mainly to current account financial contracts maintained by the Company with Group companies, which amount at 31 December 2024 and 2023 to EUR 8,138 thousand and EUR 9,264 thousand, respectively, that accrue interest at Euribor plus a market spread (3.79% and 3.101% during 2024 and 2023 respectively). Breakdown for associates at 2024 and 2023 year-end is detailed on Note 13.2.

Additionally, due to the fact that the Company is the head of the consolidated tax group, this item of the balance sheet includes the debit position vis-à-vis of various companies that make up the tax group, for a total amount of EUR 10,477 thousand and EUR 3,935 thousand at 31 December 2024 and 2023, respectively, corresponding to the amount to be paid as corporate income, and value added tax of Group companies within the scope of the tax perimeter (see Note 13.2).

### 7.2. Financial Assets at cost

The breakdown under this item at 31 December 2024 and 2023 is as follows:

	Thousand of euros	
	31/12/2024	31/12/2023
<b>Non-Current:</b>		
Equity Investments in associates	101,688	101,626
Loans to related companies (Note 13.2)	1,570	1,325
<b>Total</b>	<b>103,258</b>	<b>102,951</b>

The movement in the item "Equity instruments of Group companies and associates" and "Loans to Group companies and associates" during years 2024 and 2023, is as follows:

#### Year 2024:

	Thousand of euros				
	Balance at 31/12/2023	Additions	Reversals	Transfers (Note 9.1)	Balance at 31/12/2024
<b>Equity instruments</b>					
Cost	125,105	1,000	-	-	126,105
Impairment	(23,479)	(343)	405	(1,000)	(24,417)
	101,626	657	405	(1,000)	101,688
<b>Granted loans and credits</b>	1,325	-	-	245	1,570
<b>Total</b>	<b>102,951</b>	<b>657</b>	<b>405</b>	<b>(755)</b>	<b>103,258</b>

Year 2023:

	Thousand of euros				
	Balance at 31/12/2022	Additions	Reversals	Transfers (Note 9.1)	Balance at 31/12/2023
<b>Equity instruments</b>					
Cost	124,105	1,000	-	-	125,105
Impairment	(22,044)	(645)	210	(1,000)	(23,479)
	102,061	355	210	(1,000)	101,626
<b>Granted loans and credits</b>	3,239	557	(2,471)	-	1,325
<b>Total</b>	<b>105,300</b>	<b>912</b>	<b>(2,261)</b>	<b>(1,000)</b>	<b>102,951</b>

During years 2024 and 2023, the Company has increased the capital of its subsidiary "SJB Müllroser Baugesellschaft GmbH" in EUR 1,000 thousand each year, company in which it holds 100% of the share capital. It also increased the impairment associated with this holding by the same amount, by reclassifying the provision for possible liabilities associated with this investee recorded at 31 December 2024 and 2023, respectively (see Note 9.1).

Detail of stakes in Group companies, as well as of credits and loans granted as of 31 December 2024 and 2023 is as follows:

Year 2024:

	Ownership %		Thousand of euros				
			Net carrying amount of the stake				Long-term loans (Note 13.2)
	Direct	Indirect	Cost	Impairment of the year	Accumulated impairment	Net cost	
<b>Group companies:</b>							
Constructora San José, S.A. (b)	99.79%	-	92,510	-	-	92,510	-
San José Concesiones y Servicios, S.A.U. (c)	100.00%	-	2,446	-	-	2,446	-
San José Energía y Medio Ambiente, S.A.U. (c)	100.00%	-	7,964	(343)	(5,427)	2,537	1,570
Enerxias Renovables de Galicia, S.A (c)	25.00%	75.00%	662	-	(431)	231	-
Cadena de Tiendas, S.A.U. (c)	100.00%	-	60	-	-	60	-
Comercial Udra, S.A.U. (c)	100.00%	-	1,748	-	-	1,748	-
Constructora Udra Limitada (a)	7.00%	69.85%	25	-	-	25	-
SJB Müllroser Baugesellschaft GmbH (c)	100.00%	-	4,730	(92)	(4,730)	-	-
Udra Medios, S.A.U. (c)	100.00%	-	15,600	406	(13,808)	1,792	-
Udra México, S.A. de C.V. (d)	0.17%	99.83%	23	-	(21)	2	-
GSJ Solutions, S.L.U.(b)	100%	-	337	-	-	337	-
TOTAL			126,105	(29)	(24,417)	101,688	1,570

- (a) Companies audited by Deloitte  
(b) Companies audited by PWC  
(c) Non audited companies  
(d) Companies audited by other auditing company.



Year 2023:

	Ownership %		Thousand of euros				Long-term loans (Note 13.2)
			Net carrying amount of the stake				
	Direct	Indirect	Cost	Impairment of the year	Accumulated impairment	Net cost	
<b>Group companies:</b>							
Constructora San José, S.A. (a)	99.79%	-	92,510	-	-	92,510	-
San José Concesiones y Servicios, S.A.U. (c)	100.00%	-	2,446	-	-	2,446	-
San José Energía y Medio Ambiente, S.A.U. (c)	100.00%	-	7,964	(645)	(5,084)	2,880	1,325
Enerxías Renovables de Galicia, S.A (c)	25.00%	75.00%	662	-	(431)	231	-
Cadena de Tiendas, S.A.U. (c)	100.00%	-	60	-	-	60	-
Comercial Udra, S.A.U. (c)	100.00%	-	1,748	-	-	1,748	-
Constructora Udra Limitada (a)	7.00%	69.85%	25	-	-	25	-
SJB Müllroser Baugesellschaft GmbH (c)	100.00%	-	3,730	-	(3,730)	-	-
Udra Medios, S.A.U. (c)	100.00%	-	15,600	210	(14,213)	1,387	-
Udra México, S.A. de C.V. (c)	0.17%	99.83%	23	-	(21)	2	-
GSJ Solutions, S.L.U.(a)	100%	-	337	-	-	337	-
TOTAL			125,105	(435)	(23,479)	101,626	1,325

- (a) Companies audited by Deloitte  
(b) Companies audited by PWC  
(c) Non audited companies  
(d) Companies audited by other auditing company.

During year 2024, the company has recognised a net impairment of its financial holdings amounting to 29 thousand euros (EUR 552 thousand for dotation in the year 2023), recorded under the heading "Impairment and profit/(loss) arising from the disposal of financial instruments" in the accompanying income statement for year 2024.

Further, at 31 December 2024 and 2023 the Company records a provision for EUR 1,299 thousand and EUR 2,207 thousand, respectively, under the heading "Long-term provisions" in non-current liabilities in the balance sheet, devoted to cover any contingencies arising from the holding of these financial participations (see Note 9.1).

The most significant information regarding investees in which the Company takes parts, at 2024 and 2023 year-end is as follows:

Year 2024:

			Thousand of euros (*)				
			Capital and issuance fee	Profit/(Loss) for the year		Remaining net equity	Total net equity
				From operations	For the Year		
Group companies:							
Constructora San José, S.A.	Construction, purchase and sale of land	Rosalía de Castro, 44 (Pontevedra)	8,076	42,878	22,802	199,898	230,776
GSJ Solutions, S.L.U.	Engineering services	Ronda de Poniente, 11 – Tres Cantos (Madrid)	300	207	184	777	1,261
San José Concesiones y Servicios, S.A.U.	Provision of healthcare and social services	Rosalía de Castro, 44 (Pontevedra)	2,446	(2)	26	186	2,658
San José Energía y Medio Ambiente, S.A.U.	Contruction, provisions of services and management of energy contracts	Ronda de Poniente, 11 – Tres Cantos (Madrid)	4,039	(187)	(161)	(2,654)	1,224
Cadena de Tiendas, S.A.U.	Storage, destruction and sale of goods	Rosalía de Castro, 44 (Pontevedra)	60	(1)	103	93	256
Comercial Udra, S.A.U.	Storage, distribution and sale of manufactured products	Rosalía de Castro, 44 (Pontevedra)	4,181	129	2,004	973	7,158
Constructora Udra Limitada	Construction, maintenance and repair	C/ 1º de Dezembro, 12-14 - Monção (Portugal)	350	2,576	2,381	11,058	13,789
SJB Müllroser Baugesellschaft GmbH	Construction	Gew erparkinh, 1315299 Müllroser. Alemania	3,625	(9)	(92)	(4,833)	(1,300)
Energias Renovables de Galicia, S.A.	Production and trade of electric energy by renewable energy resources	Rosalía de Castro, 44 (Pontevedra)	2,649	15	23	(2,076)	596
Udra Medios, S.A.U.	Edition, production, reproduction and release of books, new spapers, magazines and video	Rosalía de Castro, 44 (Pontevedra)	1,500	(3)	195	(238)	1,457
Udra México, S.A. de C.V.	Holding company	Miravalle, México	3,427	686	(1,171)	(361)	1,895

(\*) Data corresponding to the individual financial statements of each of the investee companies.

Year 2023:

			Thousand of euros (*)				
			Capital and issuance fee	Profit/(Loss) for the year		Remaining net equity	Total net equity
				From operations	For the Year		
Group companies:							
Constructora San José, S.A.	Construction, purchase and sale of land	Rosalía de Castro, 44 (Pontevedra)	8,076	26,992	11,716	188,134	207,926
GSJ Solutions, S.L.U.	Engineering services	Ronda de Poniente, 11 – Tres Cantos (Madrid)	300	104	91	685	1,076
San José Concesiones y Servicios, S.A.U.	Provision of healthcare and social services	Rosalía de Castro, 44 (Pontevedra)	2,446	(2)	14	172	2,632
San José Energía y Medio Ambiente, S.A.U.	Contruction, provisions of services and management of energy contracts	Rosalía de Castro, 44 (Pontevedra)	4,039	(238)	(393)	(2,261)	1,385
Cadena de Tiendas, S.A.U.	Storage, destruction and sale of goods	Ronda de Poniente, 11 – Tres Cantos (Madrid)	60	(1)	11	88	159
Comercial Udra, S.A.U.	Storage, distribution and sale of manufactured products	Rosalía de Castro, 44 (Pontevedra)	4,181	1,347	1,321	1,152	6,654
Constructora Udra Limitada	Construction, maintenance and repair	C/ 1º de Dezembro, 12-14 - Monção (Portugal)	350	1,593	1,382	9,675	11,407
SJB Müllroser Baugesellschaft GmbH	Construction	Gew erparkinh, 1315299 Müllroser. Alemania	2,625	(10)	(140)	(4,693)	(2,208)
Energias Renovables de Galicia, S.A.	Production and trade of electric energy by renewable energy resources	Rosalía de Castro, 44 (Pontevedra)	2,649	17	-	(2,076)	573
Udra Medios, S.A.U.	Edition, production, reproduction and release of books, new spapers, magazines and video	Rosalía de Castro, 44 (Pontevedra)	1,500	(2)	56	(294)	1,262
Udra México, S.A. de C.V.	Holding company	Miravalle, México	3,427	(475)	(128)	391	3,690

(\*) Data corresponding to the individual financial statements of each of the investee companies.

None of the associates is listed on the stock exchange market at 31 December 2024 and 2023.

### **7.3. Cash and cash equivalents**

"Cash and Cash Equivalents" includes the company'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.

### **7.4. Management of financial risk**

The management of financial risks of the Company is centralised in the Group's Financial Management, which has established the necessary mechanisms to control the exposure to changes in interest rates and exchange rates, as well as to credit and liquidity risks. Main financial risks which may have a potential impact on the Company as auditing follows:

#### **a) Credit risk**

The Company 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 counterparty risk is not significant.

The company'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 Company's credit risk is mainly attributable to trade receivables of Group companies. The amounts presented in the consolidated balance sheet are net of allowances for doubtful debts, estimated by Group management based on past experience and its assessment of the current economic climate. 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 Company does not have a significant concentration of credit risk, being its exposure concentrated in Group companies and associates, and therefore the credit risk associated to the activity of these companies.

The Company 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.

b) Liquidity risk:

The Company forms part of the centralised treasury system of Grupo SANJOSE and has available short-term syndicated credit facilities of the Group, being able to obtain liquidity if necessary. The Group's liquidity policy consists of the arrangement of committed credit facilities and current financial assets for sufficient amounts to cater for the projected liquidity needs for a given period based on the situation and prospects of the debt and capital markets.

c) Market risk

- Interest rate risk: Both the treasury and the financial debt of the Company are exposed to interest rate risk, which could have an adverse impact on financial outcome and cash flows. In order to minimise this impact, the Company's policy is to contract derivative financial instruments to hedge interest rates. At 31 December 2024 and 2023, since most of the funding of the Company is repaid on a fix interest rate, there are no derivative financial instruments.

- Exchange rate risk: the Company does not bear at 31 December 2024 and 2023 any positions in other currency than in Euro. Likewise, there are no coverage contracts for exchange rates. Its currency exposure corresponds mainly to its stake in group companies operating in markets with a currency other than the Euro (see Note 7.2). The Group's policy is that funding of these units, if applicable, would be in local currency.

## **8. Net Equity**

### **8.1 Share Capital**

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

At 20 July 2009, shares of the Company are admitted to trading on the Continuous Market. The closing and mean quote for the last quarter of the year stood at EUR 5.2 and EUR 4.70 for year 2024 and EUR 3.46 and EUR 3.55 for year 2023, respectively.

As of 31 December 2024, the main shareholder 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.

### **8.2 Share issue premium**

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.

### **8.3 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, as long as sufficient other reserves are not available for this purpose. At year-end 2023, the legal reserve has not been fully provided.

#### 8.4 Distribution of dividends

At 31 December 2024 there are no restrictions on the distribution of dividends (see Note 3).

#### 8.5 Treasury shares

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

#### 8.6 Property situation

The company has a solid asset and financial situation. At 31 December 2024 and 2023, the company has positive net assets amounting to EUR 44,910 thousand and EUR 46,595 thousand, representing 32.4% and 32.1% of the assets, so it is in a balanced situation.

### 9. Provisions and contingencies

#### 9.1 Long-term provisions

The detail of long-term provisions under the balance sheet at 2024 and 2023 year-end, as well as main movements during years 2024 and 2023, are as follows:

##### Year 2024:

	Thousand of euros			
	Balance at 31-12-2023	Additions	Tranfers (Note 7.2)	Balance at 31-12-2024
Provision for risks and expenses	2,207	92	(1,000)	1,299
<b>Total</b>	<b>2,207</b>	<b>92</b>	<b>(1,000)</b>	<b>1,299</b>

##### Year 2023:

	Thousand of euros			
	Balance at 31-12-2022	Additions	Tranfers (Note 7.2)	Balance at 31-12-2023
Provision for risks and expenses	3,091	116	(1,000)	2,207
<b>Total</b>	<b>3,091</b>	<b>116</b>	<b>(1,000)</b>	<b>2,207</b>

This item mainly includes provisions provided by the Company in order to cover possible contingencies arising from the holding of financial investments with negative equity, in addition to the impairment of own shares that may be recorded to date. At 31 December 2024 and 2023, the amount of the provision refers mainly to the Company's stake in the Group company "SJB Müllroser Baugesellschaft GmbH" (see Note 7.2)

#### 9.2 Short-term provisions

At 31 December 2024 and 2023, the Company has short-term provisions amounting to EUR 430 thousand euros, in both fiscal years, in order to meet contingencies arising from its activity.

### 9.3 Contingencies

The amount of the guarantees granted to third parties by the Company is very insignificant. Directors of the Company do not consider any liability arising in connection to committed guarantees, in addition to those recorded in the accompanying financial statements at 31 December 2024.

## 10. Financial Liabilities

The breakdown under this item at 31 December 2024 and 2023 is as follows:

### Year 2024:

	Thousand of euros						
	Non-Current			Current			TOTAL
	Bank borrowings	Bonds and other securities	Credits, Derivatives and Other	Bank borrowings	Bonds and other securities	Credits, Derivatives and Other	
Financial liabilities at amortized cost or cost	-	-	66,672	-	-	20,451	87,123
Liabilities at fair value with changes in P&G							
Trading book	-	-	-	-	-	-	-
Designated	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	66,672	-	-	20,451	87,123

### Year 2023

	Thousand of euros						
	Non-Current			Current			TOTAL
	Bank borrowings	Bonds and other securities	Credits, Derivatives and Other	Bank borrowings	Bonds and other securities	Credits, Derivatives and Other	
Financial liabilities at amortized cost or cost	-	-	66,672	-	-	26,241	92,913
Liabilities at fair value with changes in P&G							
Trading book	-	-	-	-	-	-	-
Designated	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Derivative Financial Instruments	-	-	-	-	-	-	-
<b>TOTAL</b>	-	-	66,672	-	-	26,241	92,913

### 10.1. Financial liabilities at amortised cost or at cost

#### Long-term financial liabilities at amortised cost – Long term:

The Company records under this item the long-term debt with Group companies which, at 31 December 2024 and 2023, amounts to EUR 66,672 thousand in both years (see Note 13.2).

#### Short-term financial liabilities at amortised cost – Short term

The breakdown under this item at 31 December 2024 and 2023 is as follows:

	Thousand of euros	
	31/12/2024	31/12/2023
Current bank borrowings	94	91
Payable to Group and associated companies (Note 13.2)	17,069	22,878
Trade payables	487	171
Suppliers Group and associated companies (Note 13.2)	245	463
Staff, remuneration payable	2,556	2,638
<b>Total</b>	<b>20,451</b>	<b>26,241</b>

## 11. Public administrations and fiscal situation

The Company is subject to the Tax Consolidation Regime under reference number 002/06, being the Parent of the tax group.

### 11.1. Tax receivables and payables

Breakdown of tax receivables at 31 December 2024 and 2023 is as follows:

	Thousand of euros	
	31/12/2024	31/12/2023
<b><u>Current assets:</u></b>		
VAT receivables	4,706	10,183
Income tax receivables and other	-	4,434
<b>Total</b>	<b>4,706</b>	<b>14,617</b>

Breakdown of current payables to Public Administrations at 31 December 2024 and 2023 is as follows:

	Thousand of euros	
	31/12/2024	31/12/2023
<b><u>Current liabilities:</u></b>		
VAT payable	-	68
Income tax payable (Note 11.2)	1,937	-
Personal income payable and other	560	535
Social Security payables	128	101
<b>Total</b>	<b>2,625</b>	<b>704</b>

The heading 'Corporate income tax payable' includes, for the most part, the account payable to public authorities for corporate income tax for the year 2024 (see Note 11.2).

On 1 January 2012, the Company together with most of its subsidiaries, representing 50%, and several JVs agreed on submitting joint VAT declaration as a Group under the general regime, under reference number 111/12.

### 11.2. Reconciliation of the accounting profit/(loss) and taxable base

The reconciliation of the accounting profit/(loss) and the taxable base for income tax purposes for year 2024 and 2023 is as follows:

	Thousand of euros	
	2024	2023
<b>Profit/(Loss) before tax</b>	<b>4,152</b>	<b>3,250</b>
Permanent differences		
Increase	975	1232
Decrease	(1,487)	(1,136)
Offset of prior years' tax losses	(1,841)	(6,759)
<b>Prior taxable profit</b>	<b>1,799</b>	<b>(3,413)</b>
<b>Prior setting 25%</b>	<b>450</b>	<b>(853)</b>
Deductions	(1)	(2)
Regularisation and other	(4,366)	48
<b>Income tax expense</b>	<b>(3,917)</b>	<b>(807)</b>
Temporary differences		
Decrease prepaid tax	-	-
Increase prepaid tax (Note 11.3)	1	1
To offset tax credit (Note 11.3)	(460)	(1,690)
Deductions	-	-
Current year deduction increases	-	(1)
To offset outstanding deductions	(1)	-
Adjustments and other	4,366	(48)
Principal transactions	(7,010)	(5,269)
<b>Amount (payable) / receivable</b>	<b>(7,021)</b>	<b>(7,814)</b>
-Offset against tax group (Note 13.2)	8,958	3,400
-Tax debit / (credit)	(1,937)	4,414

Permanent adjustments made in the tax base are chiefly due to the adjustment of the dividend income received by the Company in years 2024 and 2023, amounting to EUR 1,500 thousand and EUR 1,200 thousand, respectively (see Note 12.1), as well as the adjustment due to the registration and reversal of non-deductible provisions and the goodwill amortisation.

#### 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) 2023/2523 of 15 December 2022 was adopted. This Directive applies to multinational or domestic groups of companies with annual revenues equal to or greater than EUR 750 million 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 Company, as the parent company of a commercial group, is a resident entity in Spain and complies with the activity requirements established by the regulation, being applicable to Grupo SANJOSE.

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

For appropriate purposes, the Group applies the exception of recognising and disclosing information on deferred tax assets and liabilities related to Pillar II income tax.



### 11.3. Deferred tax assets and liabilities

The detail of deferred tax assets under the balance sheet at 31 December 2024 and 2023, as well as main movements in said years, are as follows:

#### Year 2024:

	Thousand of euros			
	31.12.2023	Tax for the year (Note 11.2)	Regularisation and other	31.12.2024
Temporary differences on other items	1	1	(2)	-
Deductions and bonuses pending to be taken	-	-	3	3
Offset of tax loss carry forwards (Note 13.2)	9,570	(560)	-	9,010
<b>Total</b>	<b>9,571</b>	<b>(559)</b>	<b>1</b>	<b>9,013</b>

#### Year 2023:

	Thousand of euros			
	31.12.2022	Tax for the year (Note 11.2)	Regularisation and other	31.12.2023
Temporary differences on other items	2,364	1	(2,364)	1
Offset of tax loss carry forwards (Note 13.2)	8,900	(1,691)	2,361	9,570
<b>Total</b>	<b>11,264</b>	<b>(1,690)</b>	<b>(3)</b>	<b>9,571</b>

The detail of deferred tax assets under the balance sheet at 31 December 2024 y 2023, as well as main movements in said years, are as follows:

#### Year 2024:

	Thousand of Euros			
	31.12.2023	Tax for the year (Nota 11.2)	Regularisation and other	31.12.2024
Temporary differences in margins for group transactions	2,089	-	175	2,264
Payable to group companies for income tax (Note 13.2)	230	(100)	-	130
<b>Total</b>	<b>2,319</b>	<b>(100)</b>	<b>175</b>	<b>2,394</b>

#### Year 2023:

	Thousand of Euros			
	31.12.2022	Tax for the year (Nota 11.2)	Regularisation and other	31.12.2023
Temporary differences in margins for group transactions	2,054	-	35	2,089
Payable to group companies for income tax (Note 13.2)	231	(1)	-	230
<b>Total</b>	<b>2,285</b>	<b>(1)</b>	<b>35</b>	<b>2,319</b>

### **Negative Taxable Bases**

As of 31 December 2024, the Company has tax loss carryforwards pending offset, all of which were generated within the tax consolidation group to which it belongs, amounting to 251,514 thousand euros. This amount is after deducting the tax loss carryforwards offset in the 2024 financial year, based on the Company's forecast of

corporate income tax expense. Likewise, the reduction in NIB resulting from the inspection reports issued during the year has been taken into account, which for the most part recognises a higher amount of compensation for negative tax bases in corporate taxes for the years 2017 to 2020 (see Note 11.4).

The Company partially capitalises tax loss carryforwards, generating a tax credit. At 31 December 2024 and 2023, the tax credit recognised by the Company amounts to 9,010 thousand and 9,570 thousand euros, respectively.

Company management has assessed the recoverability of the deferred tax asset based on projections of the various activities carried out by the Group for the period 2025-2034, including the main variables arising from current tax legislation (Tax Plan).

The projections used are based on Grupo SANJOSE's Strategic Plan, and are appropriately reviewed and updated by Group management in accordance with the most recent business projections, which take into account the historical evolution of recent years and, in particular, the situation of financial stability in recent years. In addition, in the preparation of the revenue and margin projections, external sources from internationally recognised organisations, such as the International Monetary Fund, and information on public investment plans in infrastructure

The Group's forecasts envisage obtaining positive results, which, in fact, have been evident in recent years. The Group uses conservative assumptions for the implementation of the aforementioned Tax Plan. As of 31 December 2024, the main assumptions used are as follows:

- Regarding the construction activity:

- Sales: total revenues from the construction business are estimated based on current activity and the contracted portfolio (short and medium term), as well as on the guidelines set out in the Group's business plan (medium and long term), assuming an average annual growth for the period 2025-2034 of around [2-5]%.  
• Relatively stable EBITDA margin at [4.5-6.0]%.  
• Possible capital gains from the sale of real estate assets and income and profits from urban development activity are not taken into account.

- Regarding the rest of the activities: energy, commercial, services and maintenance and media. They are of secondary importance to the construction business.

- Sales: in general, average annual growth of around [1.5-4]%.  
• EBITDA margin: maintenance of the average margins obtained in recent years.

Based on the *Tax Plan*, it is concluded that the Group generates sufficient taxable income to offset the amount of deferred tax assets recognised at 31 December 2024 over a period of approximately 5 years, what is understood as reasonable by the Group's management, taking into account the type of portfolio held.

### **Deductions**

Applicable regulations in force with regards to income tax includes sundry tax incentives. 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

At 31 December 2024, the Company has deductions pending application amounting to EUR 15 thousand, fully recognized under the heading 'Deferred Tax Assets' in the attached balance sheet, for an amount of 3 thousand euros.

### **11.4. Years open for tax review**

The Company has the taxes for the last four financial years open for inspection and from 2021 for corporate income tax.

During the first half of 2024, 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 have been completed, corresponding to the years 2017 to 2020, inclusive. With regard to the companies that make up the tax consolidation group, the Tax Agency has estimated the application of a higher

amount of tax losses in this period, amounting to 17.7 million euros, and a consolidated corporate tax income of 5.2 million euros has been recorded.

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 losses that could have been offset by the Spanish companies that comprise it 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 not been considered virtually certain that it will be obtained, classifying this asset as contingent.

As of today's date, the Company, as well as its investee companies that belong to the Tax Consolidation Group, have no taxes open to inspection.

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 in 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.

These tax returns, and the tax returns for the other taxes to which the Company and its subsidiaries are subject cannot be deemed to be definitive until the statutory of limitations period of four years has expired or until they have been reviewed and approved by the tax authorities.

Directors of the Company deem that no significant additional liabilities will arise to those already recorded as a result of possible verifications, which may be carried out, in the years open to inspection.

#### **11.5. Transactions under the special tax neutrality regime**

In 1 July 1994 "Grupo Empresarial San José, S.A." increased its social capital by the non-monetary provision of shares of the company "Constructora San Jose S.A.", transaction subject to the special tax neutrality regime pursuant to terms and provisions of Act 29/1991. The transaction is described in the notes to said financial statements.

On 22 October 1999, the Company subscribed shares of "Inmobiliaria Udra S.A." (currently "San Jose Desarrollos Inmobiliarios, S.A.") by means of the non-monetary provision of shares of "Pontegran S.L.", transaction subject to the special tax neutrality regime pursuant to terms and provisions of Act 43/1995. The transaction is described in the notes to said financial statements.

On 27 June 2005, the Company subscribed shares of "Constructora San José S.A." by the non-monetary provision of shares of "Inmobiliaria Udra S.A.". This transaction qualified for taxation under the tax neutrality regime provided for in Chapter VIII of Title VIII of Legislative Royal Decree 4/2004, on 5 March on Income Tax. The transaction is described in the notes to said financial statements.

On 2 June 2006, The Company subscribed shares of "Comercial Udra S.A." by means of the non-monetary provision of shares of "Arserex S.A.U." and "Basket King S.A.". This transaction qualified for taxation under the tax neutrality regime provided for in Chapter VIII of Title VIII of Legislative Royal Decree 4/2004, on 5 March on Income Tax. The transaction is described in the notes to said financial statements.

On 19 June 2006, the Company subscribed shares of "Grupo Empresarial San José, S.A." (company its was merged to in year 2008 -see Note 1-, adopting its company name) by means of the non-monetary provision of shares of "Constructora San José, S.A.". This transaction qualified for taxation under the tax neutrality regime provided for in Chapter VIII of Title VIII of Legislative Royal Decree 4/2004, on 5 March on Income Tax. The transaction is described in the notes to said financial statements.

#### **11.6 Subrogation of the Company of tax liabilities of absorbed companies**

*Merger by absorption of "Parquesol Inmobiliaria y Proyectos, S.A." with "Miralepa Cartera, S.L." and "Parquesol inmobiliaria y Proyectos, S.L.".*

In 2006, the company "Parquesol Inmobiliaria y Proyectos SA" absorbed "Miralepa Cartera, SL" and "Parquesol Inmobiliaria y Proyectos, SL", a company that in year 2000 had already absorbed certain companies. Article 90 of the Consolidated Text of the Companies Tax Law (Royal Legislative Decree 4/2004, on 5 March) establishes that when a restructuring operation is carried out determining a universal succession, as in the case of the above-

mentioned takeovers, all rights and tax obligations of the absorbed entities are transferred to the acquiring entity. Thus, the Company acquired, among other, the tax obligations of the absorbed companies. However, the directors of the Company do not expect any significant liabilities arising as a consequence of said transaction. Likewise, merger agreements of the Company with "Parquesol Inmobiliaria y Proyectos, S.L." and "Miralepa Cartera, S.L." specified that said transactions would qualify for taxation under the special tax regime provided for in Chapter VIII of Title VII of Legislative Royal Decree 4/2004, of 5 March, approving the Consolidated Spanish Corporation Tax Law, of which the tax authorities will be formally notified.

*Segregation of the branch of activity of the company Grupo Empresarial San José, S.A. and consequent capital increase of the beneficiary company San José Desarrollos Inmobiliarios, S.A.*

As of 30 June 2010, spin-off of the real estate branch of activity of Grupo Empresarial San Jose, S.A. and its transfer en bloc and universal succession to San Jose Desarrollos Inmobiliarios, S.A., who increases its share capital, was granted through public deed. After said transaction, the Company continues with the same material and human resources for the development of its other activities.

The contribution of this branch of activity has accounting retroactive effect as from 1 January 2010. The aforementioned spin-off took place pursuant to provisions under the Structural Amendment Act of Companies, number 3/2009 and 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, having been notified to the Large Taxpayers Central Office of the Department of the Treasury on 2 November 2010.

## **12. Revenue and expenditure**

### **12.1 Net Revenue**

Net revenue by activity for years 2024 and 2023 is as follows:

	Thousand of euros	
	2024	2023
Dividends received	1,500	1,200
Financial incomes from Group companies	317	457
Other incomes	20,274	19,464
<b>Total</b>	<b>22,091</b>	<b>21,121</b>

Revenue obtained by the company from its activity as a holding company is included as net turnover: includes mainly financial income from the financing granted to the investees, as well as the dividends received from them (see Note 13.1).

"Other income" includes an amount of EUR 20,274 thousand and EUR 19,376 thousand, respectively, relating mainly to income from administrative and management services rendered by the Company to its investees (see Note 13.1).

### **12.2 Social security costs**

Breakdown for years 2024 and 2023 is as follows:

	Thousand of euros	
	2024	2023
Social security	1,042	1017
Other social costs	315	377
<b>Total</b>	<b>1,357</b>	<b>1,394</b>

### 12.3 Staff costs

The average number of employees during years 2024 and 2023 is as follows:

Category	2024		2023	
	Men	Female	Men	Female
University graduates	24	12	24	13
Medium term grades	12	10	10	9
Clerical staff	10	17	10	14
Technicians	2	-	1	-
<b>Total</b>	<b>48</b>	<b>39</b>	<b>45</b>	<b>36</b>

At 31 December 2024 and 2023, average workforce amounted to 89 employees (49 men and 40 women) and 81 employees (45 men and 36 women), respectively, being the distribution by type of grade similar in both periods.

The average number of people employed in the course of the years 2024 and 2023 with a disability greater than or equal to 33% is 1 worker, who is herself a university graduate. 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.

### 12.4 External services

Breakdown for years 2024 and 2023 is as follows:

	Thousand of euros	
	2024	2023
Rents and royalties	483	480
Repair and maintenance services	-	1
Independent professional services	1004	666
Insurance premiums	587	712
Banking services and similar	2	2
Advertising, publicity and public relations	73	12
Utilities	3	2
Other services	4,331	3,755
<b>Total</b>	<b>6,483</b>	<b>5,630</b>

This heading includes, mainly under "Other services" services provided by companies of the Group amounting to EUR 2,296 thousand and EUR 2,715 thousand in years 2024 and 2023, respectively (see Note 13.1).

### 12.5 Finance income

The breakdown of this item in the financial years 2024 and 2023 is as follows:

	Thousand of euros	
	2024	2023
Other financial income	802	1
Financial income on Group companies (Note 13.1)	-	207
<b>Total</b>	<b>802</b>	<b>208</b>

## 12.6 Audit fees

During the financial year 2023, and for the financial years 2023 to 2025, both inclusive, the General Meeting of the Company appointed "PricewaterhouseCoopers Auditores, S.L." as auditor of its annual accounts and individual and consolidated management report.

The details of the fees for the financial years 2024 and 2023 are as follows:

### Year 2024:

Description	Thousand of euros
Audit fees	57
Other verification services	34
<b>Total audit services and related services</b>	<b>91</b>
Tax advisory services	-
Other Services	-
<b>Total</b>	<b>91</b>

### Year 2023:

Description	Thousand of euros
Audit fees	56
Other verification services	33
<b>Total audit services and related services</b>	<b>89</b>
Tax advisory services	-
Other Services	-
<b>Total</b>	<b>89</b>

## **13. Associates**

### **13.1. Transactions with associates**

The detail of transactions with associates for years 2024 and 2023 is as follows:

Year 2024:

	Thousand of euros				
	Provision from services (Note 12.1)	Reception of services (Note 12.4)	Financial expenses	Financial incomes	Holding activity incomes (Note 12.1)
Comercial Udra, S.A.U.	459	-	13	-	1,500
Pinos Altos X.R., S.L.	-	121	-	-	-
Eraikuntza Birgaikuntza Artapena, S.L.U.	1,170	-	-	-	-
Cartuja Inmobiliaria, S.A.U.	1,350	-	-	-	-
Constructora San José, S.A.	14,525	2,927	219	-	-
San Jose Concesiones y Servicios, S.A.U.	243	-	254	-	-
San Jose Energía y Medio Ambiente, S.A.U.	128	-	-	-	225
Udramedios, S.A.U.	-	-	121	-	-
Constructora Udra Limitada	990	-	-	-	-
Cadena de Tiendas, S.A.	-	-	6	-	-
San José Inmobiliaria Perú S.A.C.	78	-	-	-	-
Rexa Constructora S.A.C.	96	-	-	-	-
Sociedad Conc. San José Technocontrol S.A.	557	-	-	-	-
Constructora Sanjose Chile Ltda.	282	-	-	-	-
SJB Mullroser Baugeschellsaft	-	-	-	-	91
Fotovoltaica El Gallo, S.A.	130	-	-	-	-
Constructora San José Argentina, S.A.	1	-	-	-	-
Udra México S.A. de C.V.	140	-	-	-	-
GSJ Solutions, S.L.	-	41	28	-	-
Desarrollos Urbanísticos Udra, S.A.U.	-	-	1,651	-	-
Facopremo, S.A.	55	-	-	-	-
Other companies of the Group	70	-	4	-	1
<b>Total</b>	<b>20,274</b>	<b>3,089</b>	<b>2,296</b>	<b>-</b>	<b>1,817</b>

Year 2023:

	Thousand of euros				
	Provision from services (Note 12.1)	Reception of services (Note 12.4)	Financial expenses	Financial incomes	Holding activity incomes (Note 12.1)
Comercial Udra, S.A.U.	540	-	8	-	1,200
Pinos Altos X.R., S.L.	-	121	-	-	-
Eraikuntza Birgaikuntza Artapena, S.L.U.	802	-	-	-	-
Cartuja Inmobiliaria, S.A.U.	1,300	-	-	-	-
Constructora San José, S.A.	13,277	2,557	348	-	-
San Jose Concesiones y Servicios, S.A.U.	327	-	191	-	-
San Jose Energía y Medio Ambiente, S.A.U.	180	-	-	-	209
Udramedios, S.A.U.	-	-	198	-	18
Constructora Udra Limitada	1,013	-	-	-	-
Cadena de Tiendas, S.A.	-	-	6	-	-
San José Inmobiliaria Perú S.A.C.	248	-	-	-	-
Rexa Constructora S.A.C.	200	-	-	-	-
Concesionaria San Jose Technocontrol, S.A.	565	-	-	-	-
Constructora Sanjose Chile Ltda.	683	-	-	-	97
Rexa Constructora S.A.C.	-	-	-	-	133
Fotovoltaica El Gallo, S.A.	126	-	-	-	-
Constructora San José Argentina, S.A.	5	-	-	-	-
Udra México S.A. de C.V.	66	-	-	-	-
GSJ Solutions, S.L.	-	37	20	-	-
Desarrollos Urbanísticos Udra, S.A.U.	-	-	1,647	-	-
Other companies of the Group	44	-	2	207	-
<b>Total</b>	<b>19,376</b>	<b>2,715</b>	<b>2,420</b>	<b>207</b>	<b>1,657</b>

The number of services rendered by the investee company "Constructora San José, SA" in 2024 and 2023 is mainly for the provision of management services provided by this investee, which, in turn, the Company partially re-invoices to the rest of the Group companies in which it takes part in.

Commercial transactions are carried out in accordance with the terms and conditions established by the parties, under normal market conditions.

Interest, both paid and received, arises from the application of Euribor plus a market spread to the credit and debit balances in current accounts with Group companies.

### 13.2. Balances with associates

Breakdown of balances with associates is as follows:

#### Year 2024:

	Thousand of euros					
	Long-term loans (Note 7.1)	Trade receivables	Short-term Credits	Long-term debt	Short-term Debts	Trade payables
Comercial Udra, S.A.U.	-	46	-	-	65	-
San José Energía y Medio Ambiente, S.A.U.	1,570	39	5,750	-	-	-
San José Concesiones y Servicios, S.A.	-	74	-	-	5,618	-
Constructora Udra Limitada	-	165	-	-	-	-
Xornal de Galicia, S.A.	-	66	-	-	-	-
Cadena de Tiendas, S.A.U.	-	-	-	-	167	-
Constructora San José, S.A.	-	34	-	-	4,840	208
SJB Mullroser Baugeschellsaft	-	-	2,382	-	-	-
Udra Medios, S.A.U.	-	-	-	-	3,711	-
San José Inmobiliaria Perú, S.A.C.	-	7	-	-	-	-
Constructora San José Colombia, S.A.S.	-	0	-	-	-	-
Eraikuntza Birgaikuntza Artapena, S.L.U.	-	119	-	-	-	-
Pinos Altos XR, S.L.	-	-	-	-	-	10
Cartuja Inmobiliaria, S.A.U.	-	141	-	-	-	-
Udra México, S.A. de CV	-	140	-	-	-	-
GSJ Solutions, S.L.	-	-	-	-	966	27
Desarrollos Urbanísticos Udra, S.A.U.	-	-	-	66,672	-	-
Sociedad Concesioaria San José Tecnocontrol S.A.	-	186	-	-	-	-
San Jose Constructora Chile S.A.	-	165	-	-	-	-
Constructora San José Argentina, S.A.	-	1	-	-	-	-
Other companies of the Group	-	438	6	-	-	-
<b>Balances with companies of the group by tax consolidation</b>	-	-	10,477	-	1,702	-
<b>Total</b>	<b>1,570</b>	<b>1,621</b>	<b>18,615</b>	<b>66,672</b>	<b>17,069</b>	<b>245</b>



Year 2023:

	Thousand of Euros					
	Long-term loans (Note 7.1)	Trade receivables	Short-term Credits	Long-term debt	Short-term Debts	Trade payables
Comercial Udra, S.A.U.	-	54	-	-	54	-
San José Energía y Medio Ambiente, S.A.U.	1,325	109	5,756	-	-	-
San José Concesiones y Servicios, S.A.	-	33	-	-	6,379	-
Constructora Udra Limitada	-	169	-	-	-	-
Xornal de Galicia, S.A.	-	-	-	-	-	-
Cadena de Tiendas, S.A.U.	-	-	-	-	152	-
Constructora San José, S.A.	-	1,734	-	-	9,743	419
SJB Mullroser Baugeschellsaft	-	-	3,503	-	-	-
Udra Medios, S.A.U.	-	-	-	-	2,797	-
San José Inmobiliaria Perú, S.A.C.	-	62	-	-	-	-
Constructora San José Colombia, S.A.S.	-	1	-	-	-	-
Eraikuntza Birgaikuntza Artapena, S.L.U.	-	81	-	-	-	-
Pinos Altos XR, S.L.	-	-	-	-	-	10
Cartuja Inmobiliaria, S.A.U.	-	131	-	-	-	-
Udra México, S.A. de CV	-	0	-	-	-	-
GSJ Solutions, S.L.	-	-	-	-	789	34
Desarrollos Urbanísticos Udra, S.A.U.	-	-	-	66,672	-	-
Sociedad Concesioaria San José Tecnocontrol S.A.	-	188	-	-	-	-
San Jose Constructora Chile S.A.	-	228	-	-	-	-
Constructora San José Argentina, S.A.	-	0	-	-	-	-
Other companies of the Group	-	194	5	-	-	-
<b>Balances with companies of the group by tax consolidation</b>	-	-	3,935	-	2,964	-
<b>Total</b>	<b>1,325</b>	<b>2,984</b>	<b>13,199</b>	<b>66,672</b>	<b>22,878</b>	<b>463</b>

The balance of heading "Long-term debts with Group companies" as of 31 December 2024 and 2023, amounting to EUR 66,672 thousand in both years corresponds entirely to the loan made between the Company and the Group company "Desarrollos Urbanísticos Udra, S.A.U." on 31 October 2019, for EUR 86,397 thousand, with a single repayment at maturity at 20 years, at a fixed interest rate of 2.48% per annum, fully repayable at maturity. As of 31 December 2024 and 2023, it also includes EUR 275 thousand corresponding to the financial expense accrued on that date pending settlement.

At 31 December 2024 and 2023, the amount recorded under "Long-term loans to Group companies", amounting to Euros 1,570 thousand and Euros 1,325 thousand, respectively, relates to long-term loans granted by the Company to its investees. It also includes the participating loan granted to its investee 'San José Energía y Medio Ambiente, S.A.U.' in the amount of 1,570 thousand euro and 1,325 thousand euro, respectively, where the accrual of interest is conditional upon the borrower company obtaining positive results, the purpose of which is to strengthen its equity position.

Due to the fact that the Company is the head of the consolidated tax group for corporate income tax, the Company recorded under "Deferred Tax Liability" a long-term credit position against the Group, for a total amount of EUR 130 and 230 thousand at 31 December 2024 and 2023, respectively corresponding to the Company's accounts payable to companies within the tax group, for the tax credit recorded by the Company under "Deferred tax assets" with regards to negative tax bases contributed to the tax perimeter by them (see Note 11.3). Likewise, and derived from the corporate tax forecast, and VAT statements, for the year 2023, the item "Short-term investments in Group companies" at 31 December 2024 and 2023 includes EUR 10,477 thousand and EUR 3,935 thousand, respectively.

Further, "Short-term loans" and "Short-term liabilities" at 31 December 2024 and 2023 are derived from current financial account contracts signed with Group companies and accrue interest at Euribor plus a market spread (3.79 and 3.101% in years 2024 and 2023).

Also, at 31 December 2024 and 2023, the Company has a balance payable to shareholders, directors and executives amounting to EUR 94 thousand and EUR 91 thousand, respectively, which is recognised under "Current liabilities" in the accompanying balance sheet (see Note 10.1).

#### **14. Other disclosure**

##### **14.1. Information on deferred payments to suppliers. Third supplementary provision. "Information duties" of Law 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 18/2023, of 28 September, on the creation and growth of companies, the weighted average payment period to suppliers of the Company during 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:

	<b>Year 2024</b>	<b>Year 2023</b>
<b>Average payment term to suppliers (days)</b>	<b>28</b>	<b>27</b>
Ratio of paid transactions (days)	28	27
Ratio of transactions pending payment (days)	26	28
Total payments made (thousands of Euros)	4,353	2,864
Total pending payments (thousand of Euros)	459	143

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:

	<b>Year 2024</b>	<b>Year 2023</b>
nº of invoices paid in a period < 60 days	741	751
% over the total nº of paid invoices for the Company	94.3%	98.7%
Amount of paid invoices in a period < 60 days (thousand of euros)	4,165	2,676
% over the total nº of paid invoices for the Company	95.7%	93.4%

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 paid by the company.

The Directors of the Company have not considered the balance of payments made during the year to Group companies domiciled abroad, considering that said balances and transactions are outside the scope of the law.

The invoices paid out of the legal deadline is owed to the existence of incidences that may have arisen upon delivery of a particular product, or the execution of a hired service. Occasional payments to creditors that might have exceeded the legal time limit, are considered a common practice within the sector, and considered an objective reason, and not an abusive maneuver, as stated in the legislation in force before mentioned. In these cases, the financial costs are borne by the Company, as documented in the various contracts signed with suppliers. In those cases the derived financial costs have been assumed by the Company, as agreed with suppliers in the different contract signed with them.

## 14.2. Remuneration of Directors and Executives

The detail of the remuneration of all kinds earned in 2024 and 2023 by the members of the Board of the Company is as follows:

Type of Directors	Thousand of euros	
	2024	2023
Executive	3,184	3,256
Independent board members	171	225
Other external board members	319	221
<b>Total</b>	<b>3,674</b>	<b>3,702</b>

Total remuneration paid by the Company in years 2024 and 2023 to executive directors amounts to EUR 689 thousand and EUR 605 thousand, respectively.

At 2024 year-end, the Company's Board of Directors is made up of 9 men and 3 women.

There were no pension or life insurance obligations to the former or current members of the Board of Directors neither Top Management members.

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 they arise as a result of an error of management committed by its managers or directors, as well as those of its subsidiaries, in the exercise of their positions. Net value of the allowance in the year 2024 amounts to EUR 303 thousand (EUR 336 thousand in 2023).

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

In relation to the participation of the Company's directors, or persons related to them, in the capital of companies outside the 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 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 Company or under conditions that were 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.
- Do not hold shares in the capital of entities with the same, analogous or complementary type of activity that constitutes the corporate purpose of the 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.

## 15. 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, which the Company forms part of, 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 sense, the Group owns and operates a 5.4 MW photovoltaic plant in Jaen (Spain), as well as a polygeneration plant for electrical energy, cold and heat. Likewise, it is a specialist in the construction, start-up 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.
- 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. 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.

## **16. Events after the reporting period**

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

# GRUPO EMPRESARIAL SAN JOSE, S.A.

## Management Report for the year ended 31 December 2024

### 1. Situation of the Company

#### 1.1. Organisational Structure

The Company is the head of the SANJOSE Group. Its activity is to be a holding company for said Group, providing its subsidiary companies with management and administration services, financing, carrying out the management and coordination functions of all of them. The SANJOSE Group is structured as a conglomerate of companies that operate in various sectors. Since its constitution, the core of the Group's activity has been construction, which has intensified in recent years.

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.

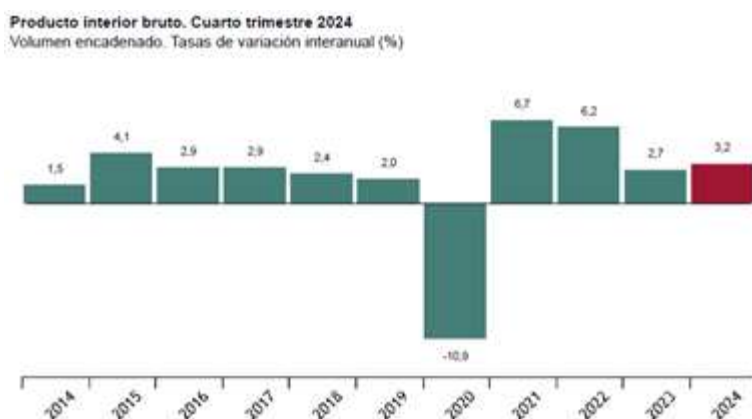
The Group's main objective is to maintain sustained growth while keeping the profitability margins of recent years, taking the construction activity as the main driver and increasing its weight in the international sphere, boosting development in the countries in which we are already present and in those 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.

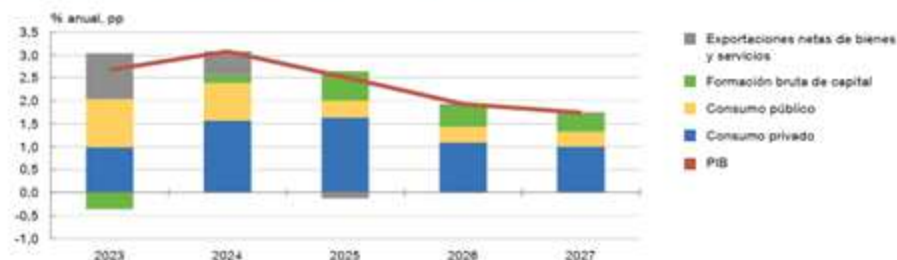
Net external demand will make a positive contribution to GDP growth in 2024, which will turn to zero in 2025-2026. Tourist flows from abroad will continue to contribute to the dynamism of activity in the coming months, driven, among other factors, by the growing geographical and seasonal diversification 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.

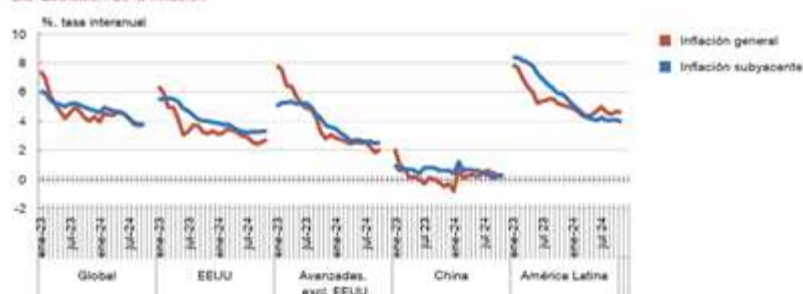
**The new inflation forecasts do not incorporate significant changes with respect to those published in September and continue to envisage a path of gradual moderation of inflationary pressures.** Specifically, overall inflation rates are projected to be 2.9% in 2024, 2.1% in 2025 and 1.7% in 2026. The 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 %

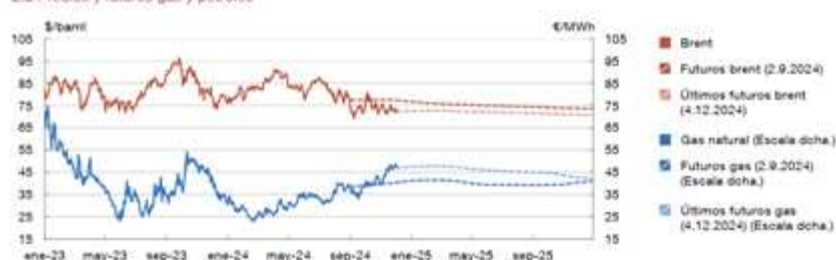
FUENTE: Banco de España.

**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%.

2.a Evolución de la inflación



2.b Precios y futuros gas y petr leo



FUENTES: Estad sticas 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.

7.a Inflaci n en el  rea del euro y contribuci n de los componentes



7.b UEM. Previsiones de inflaci n



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).



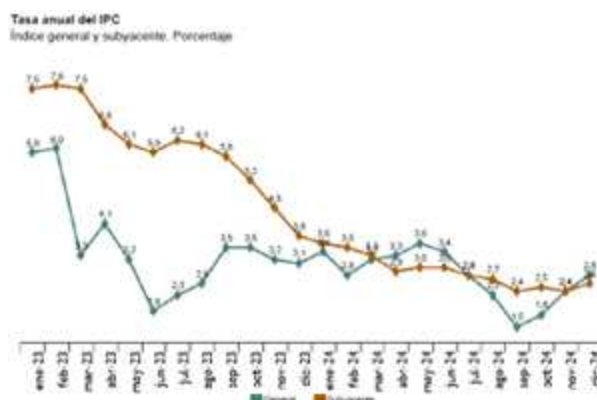
FUENTES: Refinitiv Datastream, Banco de España y Reserva Federal.

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.



**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.**



**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.

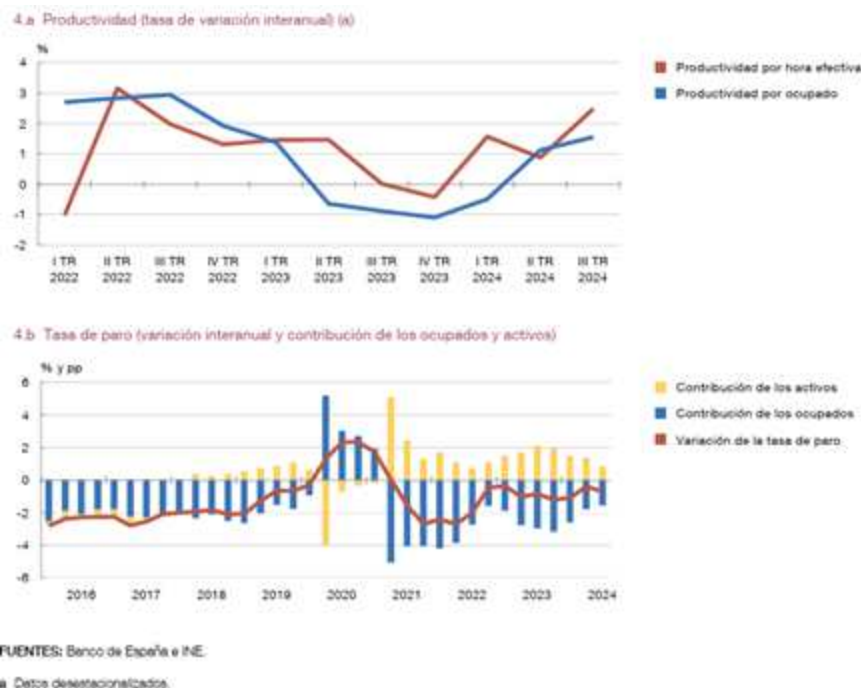
As a result, housing construction investment **is expected to accelerate in the national accounts, growing from 1.4% in 2024 to 5.3% in 2025 and 6.2% in 2026.**

**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.



### **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.



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.

Grafico 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).

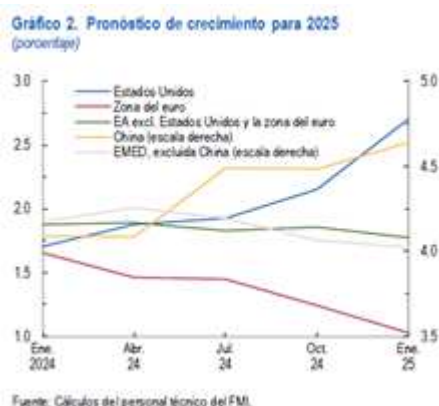
In the case of the *advanced economies*, the revisions to growth forecasts point in different directions. In the *United States*, underlying demand remains solid, thanks to strong wealth effects, a less restrictive monetary policy stance and favourable financial conditions. Growth is projected to be 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.



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					
	2023	Proyecciones de diciembre de 2024			
		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**

The Company is the head of the SANJOSE Group, its activity being mainly that of being a holding company for said group of companies, providing financing, management and administration services to its investee companies, and carrying out the management and coordination functions of all of them.

As of December 31, 2024, its total assets amount to 138.8 million euros (145.2 million euros as of December 31, 2023), with investments in current and non-current Group companies and associates acquiring special importance, as well as accounts receivable from Group company clients, for a total amount of 123.5 million euros (119.1 million euros as of December 31, 2023).

At the end of fiscal year 2024, the Company's net equity amounts to 44.9 million euros, which represents 32.4% of the total amount of the Company's assets as of that date (46.6 million euros, representing 32.1%, as of December 31, 2023). The main liability corresponds to the financing received from Group companies, amounting to 83.7 million euros as of December 31, 2024 (89.6 million euros at the end of the 2023 financial year).

The net amount of the Company's turnover amounts to 22.1 and 21.1 million euros in fiscal year 2024 and 2023, respectively, corresponding mainly to income from the management and direction services provided to its investee companies, and the impact of expenses incurred on its account, as well as to the financial income recorded during the year with its investee companies, either in the form of dividends received or income from financing granted.

The main consolidated magnitudes of the Grupo SANJOSE for the 2024 financial year are shown below:

## Consolidated management balance sheet:

Thousands of euros

	Dec. 2024		Dec. 2023		Var.
	Amount	%	Amount	%	
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 financial 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%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>224,317</b>	<b>17.2%</b>	<b>180,688</b>	<b>15.9%</b>	<b>24.1%</b>
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 financial 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%
<b>TOTAL CURRENT ASSETS</b>	<b>1,079,777</b>	<b>82.8%</b>	<b>955,792</b>	<b>84.1%</b>	<b>13.0%</b>
<b>TOTAL ASSETS</b>	<b>1,304,094</b>	<b>100.0%</b>	<b>1,136,480</b>	<b>100.0%</b>	<b>14.7%</b>

Thousands of euros

	Dec. 2024		Dec. 2023		Var.
	Amount	%	Amount	%	
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%
<b>TOTAL EQUITY</b>	<b>252,701</b>	<b>19.4%</b>	<b>216,918</b>	<b>19.1%</b>	<b>16.5%</b>
Long term provisions	45,054	3.5%	39,727	3.5%	13.4%
Long term financial 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%
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>165,749</b>	<b>12.7%</b>	<b>153,604</b>	<b>13.5%</b>	<b>7.9%</b>
Short term provisions	31,195	2.4%	29,231	2.6%	6.7%
Short term financial 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%
<b>TOTAL CURRENT LIABILITIES</b>	<b>885,644</b>	<b>67.9%</b>	<b>765,958</b>	<b>67.5%</b>	<b>15.6%</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,304,094</b>	<b>100.0%</b>	<b>1,136,480</b>	<b>100.0%</b>	<b>14.7%</b>

**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		Var.
	Amount	%	Amount	%	
<b>Revenue</b>	<b>1,557,766</b>	<b>100.0%</b>	<b>1,335,835</b>	<b>100.0%</b>	<b>16.6%</b>
Other operating income	8,144	0.5%	12,022	0.9%	-32.3%
Change in inventories	-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%
<b>EBITDA</b>	<b>74,142</b>	<b>4.8%</b>	<b>61,982</b>	<b>4.6%</b>	<b>19.6%</b>
Amortisation charge	-14,134	-0.9%	-11,837	-0.9%	19.4%
Impairment on inventories	-882	-0.1%	-419	0.0%	110.5%
Changes in trade provisions and other impairment	-10,533	-0.7%	-10,898	-0.8%	-3.3%
<b>EBIT</b>	<b>48,593</b>	<b>3.1%</b>	<b>38,828</b>	<b>2.9%</b>	<b>25.1%</b>
Ordinary financial results	9,736	0.6%	5,539	0.4%	75.8%
Changes in fair value for financial instruments	-30	0.0%	-179	0.0%	-
Foreign exchange results and others	-5,744	-0.4%	-4,280	-0.3%	34.2%
Impairment and profit/(loss) from disposal of financial instruments	-4,447	-0.3%	-7,410	-0.6%	-40.0%
<b>NET FINANCIAL RESULT</b>	<b>-485</b>	<b>0.0%</b>	<b>-6,330</b>	<b>-0.5%</b>	<b>-92.3%</b>
Results on equity method	-604	0.0%	-643	0.0%	-6.1%
<b>PROFIT BEFORE TAX</b>	<b>47,504</b>	<b>3.0%</b>	<b>31,855</b>	<b>2.4%</b>	<b>49.1%</b>
Income tax	-15,107	-1.0%	-10,443	-0.8%	44.7%
<b>CONSOLIDATED PROFIT</b>	<b>32,397</b>	<b>2.1%</b>	<b>21,412</b>	<b>1.6%</b>	<b>51.3%</b>

- **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 individual and 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
- **Portfolio:** 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	12%	-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%
<b>TOTAL</b>	<b>1,557,766</b>		<b>1,335,835</b>		<b>16.6%</b>

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%
<b>TOTAL</b>	<b>1,557,766</b>		<b>1,335,835</b>		<b>16.6%</b>

## 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%
<b>TOTAL</b>	<b>74,142</b>		<b>61,982</b>		<b>19.6%</b>

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.(%)
<b>Construction</b>	<b>2,537</b>	<b>80%</b>	<b>2,107</b>	<b>79%</b>	<b>20.4%</b>
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%
<b>Energy</b>	<b>304</b>	<b>9%</b>	<b>346</b>	<b>13%</b>	<b>-12.1%</b>
<b>Concessions and services</b>	<b>347</b>	<b>11%</b>	<b>209</b>	<b>8%</b>	<b>66.0%</b>
Maintenance	26	1%	22	1%	18.2%
Concessions	321	10%	187	7%	71.7%
<b>TOTAL BACKLOG</b>	<b>3,188</b>	<b>100%</b>	<b>2,662</b>	<b>100%</b>	<b>19.8%</b>

Millions of euros

BACKLOG by geography	Grupo SANJOSE				
	Dec. 2024		Dec. 2023		Var.(%)
<b>National</b>	<b>2,523</b>	<b>79%</b>	<b>2,254</b>	<b>85%</b>	<b>11.9%</b>
<b>International</b>	<b>665</b>	<b>21%</b>	<b>408</b>	<b>15%</b>	<b>63.0%</b>
<b>TOTAL BACKLOG</b>	<b>3,188</b>		<b>2,662</b>		<b>19.8%</b>

Millions of euros

BACKLOG by client	Grupo SANJOSE				
	Dec. 2024		Dec. 2023		Var.(%)
<b>Public client</b>	<b>1,286</b>	<b>40%</b>	<b>799</b>	<b>30%</b>	<b>61.0%</b>
<b>Private client</b>	<b>1,902</b>	<b>60%</b>	<b>1,863</b>	<b>70%</b>	<b>2.1%</b>
<b>TOTAL BACKLOG</b>	<b>3,188</b>		<b>2,662</b>		<b>19.8%</b>

### 2.3 Average payment period to suppliers

The Company has paid its suppliers during fiscal year 2024 with a weighted average payment period of approximately 28 days (27 days on average in fiscal year 2023). This figure is within the average legal 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
nº of invoices paid in a period < 60 days	741	751
% over the total nº of paid invoices for the Company	94.3%	98.7%
Amount of paid invoices in a period < 60 days (thousand of euros)	4,165	2,676
% over the total nº of paid invoices for the Company	95.7%	93.4%

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

As of December 31, 2024 and 2023, the Company has total liquidity amounting to 18.7 and 13.2 million euros, respectively, including both cash and other equivalent liquid assets, as well as the amount of short-term financial investments and investments in current Group companies and associates.

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.

The SANJOSE Group's net cash position at the end of fiscal year 2024 stands at **a positive cash position** of 373.3 million euros (295.7 million euros at the end of fiscal year 2023).

Thousands of euros

NET CASH POSITION	Dec. 2024		Dec. 2023		Var.
	Amount	%	Amount	%	
Other short term financial investments	9,598	2.0%	4,919	12%	95.1%
Cash and cash equivalents	481,106	98.0%	406,764	98.8%	18.3%
<b>Total cash</b>	<b>490,704</b>	<b>100%</b>	<b>411,683</b>	<b>100%</b>	<b>19.2%</b>
Long term financial liabilities	102,837	87.6%	100,876	87.0%	1.9%
Short term financial liabilities	14,525	12.4%	15,131	13.0%	-4.0%
<b>Total debt</b>	<b>117,362</b>	<b>100%</b>	<b>116,007</b>	<b>100%</b>	<b>1.2%</b>
<b>TOTAL NCP</b>	<b>373,342</b>		<b>295,676</b>		<b>26.3%</b>

#### 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 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:
  - o Taking advantage of the value acquired in countries where it has a presence (Chile, Mexico, Peru, USA, etc.) to increase its presence.
  - o 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:



Fuente.: Bolsas y Mercado Españoles (BMEX).

### Dividend policy

On 18 April 2024, the 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 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 its Consolidated Management Report, attached to the consolidated annual accounts for year 2024.

#### **10. Annual Corporate Governance Report**

In accordance with the provisions of commercial legislation, the Annual Corporate Governance Report forms an integral part of this Management 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 Management Report and is attached as an appendix below.



## 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)

**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:

<b>Total percentage of voting rights held by the Board of Directors</b>	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 section 1 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:

Date of General Meeting	Attendance data				
	% physically present	% present by proxy	% distance vote		Total
			Electronic voting	Other	
30/03/2021	49.24	20.02	0.00	0.00	69.28
<b>Of which, free-floating:</b>	0.28	1.35	0.00	0.00	1.63
30/03/2022	49.13	19.29	0.00	0.00	68.42
<b>Of which, free-floating:</b>	0.34	0.52	0.00	0.00	0.86
20/04/2023	49.56	18.65	0.28	0.17	68.66
<b>Of which, free-floating:</b>	0.47	6.47	0.28	0.17	7.39
18/04/2024	49.75	16.67	0.02	0.37	66.81



## ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

	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.gruposanjose.biz](http://www.gruposanjose.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:

<b>Maximum number of directors</b>	15
<b>Minimum number of directors</b>	5
<b>Number of directors set by the general meeting</b>	12

C.1.2 Please complete the following table on directors:

<b>Name of director</b>	<b>Representative</b>	<b>Director category</b>	<b>Position on the Board</b>	<b>Date first appointed to Board</b>	<b>Last re-election date</b>	<b>Method of selection to Board</b>
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 COORDINATOR	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

<b>Total number of directors</b>	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 SANJOSE. 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 SANJOSE (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 SANJOSE. He is currently the Deputy-chairman of the Group and the Chairman of SANJOSE 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 SANJOSE. Current positions: Deputy to the Chairman and CEO of Grupo SANJOSE, Member of the Board of SANJOSE Constructora, Executive Chairman of Comercial Udra, Director Carlos Casado S.A. Previous professional experience: Chairman of SANJOSE 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 SANJOSE 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 ISTEP 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 SCOP).

<b>Total number of proprietary directors</b>	1
<b>Percentage of the Board</b>	8.33

**INDEPENDENT EXTERNAL DIRECTORS**

Name of director	Profile
Ms MARIA JOSÉ ALONSO FERNANDEZ	<p>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).</p> <p>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</p>



	<p>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 Médecine 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.</p>
MR RAMÓN BARRAL ANDRADE	<p>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 SANJOSE throughout its history, until becoming an advisor and chairman of the audit commissions and appointments, remuneration and good governance of the Group.</p>
MR JOSÉ MANUEL OTERO NOVAS	<p>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</p>

	<p>sometime President, of several companies, among which stand out: Cepsa, Grupo SANJOSE, Banco Exterior de España, and foreign subsidiaries, Gescafis, 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.</p>
Ms AMPARO ALONSO BETANZOS	<p>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 &amp; D &amp; 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</p>

## ANNUAL CORPORATE GOVERNANCE REPORT

### LISTED COMPANIES

<b>Total number of independent directors</b>	4
<b>Percentage of the Board</b>	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.

<b>Name of director</b>	<b>Description of the relationship</b>	<b>Statement of the Board</b>
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:			
<b>Name of director</b>	<b>Reasons</b>	<b>Company, director, or shareholder to whom the director is related</b>	<b>Profile</b>
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.

<p>MS ALTINA DE FÁTIMA SEBASTIÁN GONZÁLEZ</p>	<p>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</p>	<p>GRUPO EMPRESARIAL SAN JOSÉ, S.A</p>	<p>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.</p>
---	--	--	--

			<p>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 &amp; 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.</p>
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.	<p>Business Administration for Directors by the Catholic University of Argentina, expert in Capital Markets Dean Witter (New York),</p>

			<p>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 SANJOSE, 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</p>
--	--	--	---

<b>Total number of other external directors</b>	3
<b>Percentage of the Board</b>	25.00

State any changes in status that have occurred during the period for each director:

<b>Name of director</b>	<b>Date of change</b>	<b>Previous Status</b>	<b>Current status</b>
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
<b>Executive</b>					0.00	0.00	0.00	0.00
<b>Proprietary</b>					0.00	0.00	0.00	0.00
<b>Independent</b>	2	2	1	1	50.00	50.00	33.33	33.33
<b>Other</b>	1	1	1	1	33.33	33.33	33.33	33.33
<b>Total</b>	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 consesionario 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 Baugesellschaft 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 representação 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	Inmobiliaria 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 representação 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

## ANNUAL CORPORATE GOVERNANCE REPORT

### LISTED COMPANIES

MR JOSÉ MANUEL OTERO NOVAS	Patronato Fundación San Pablo CEU	PATRON
MS AMPARO ALONSO BETANZOS	SOCIEDADE PARA O DESENVOLVIMENTO 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 DESENVOLVIMENTO 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:

<b>Board remuneration in financial year (thousand euros)</b>	3799
<b>Amount of funds accumulated by current directors through long-term savings schemes with vested economic rights (thousands of euros)</b>	-
<b>Amount of funds accumulated by current directors for long-term savings schemes with non-consolidated economic rights (thousands of euros)</b>	-

<b>Amount of funds accrued by former directors through long-term savings schemes (thousands of euros)</b>	-
---	---

C.1.14 Identify senior management staff who are not executive directors, and their total remuneration accrued during the year:

<b>Name</b>	<b>Position</b>
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 RAMÍREZ 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

<b>Description of amendments</b>
----------------------------------

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 appointed 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.

<b>Number of Board meetings</b>	6
<b>Number of Board meetings without the chairman</b>	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:

<b>Number of meetings</b>	0
---------------------------	---

Please specify the number of meetings held by each committee of the Board during the year:

<b>Number of meetings held by the Appointments, Remuneration and Corporate Governance Committee.</b>	4
<b>Number of meetings held by the Executive Committee</b>	0
<b>Number of meetings held by the International Executive Committee</b>	0
<b>Number of meetings held by the Audit Committee</b>	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:

<b>Number of meetings with the attendance of at least 80% of the directors</b>	6
<b>Attendance % of total votes during the financial year</b>	91.70





## ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

<b>Number of meetings with all directors attending in person or by proxy with specific instructions</b>	
<b>% of votes cast in person and by proxy with specific instructions of all votes cast during the year</b>	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 SCIF 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

	<b>Company</b>	<b>Group Companies</b>	<b>Total</b>
<b>Amount invoiced for non-audit services (thousand euros)</b>	34	63	97
<b>Amount invoiced for non-audit services/Amount invoiced for audit services (in %)</b>	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:

	<b>Individual</b>	<b>Consolidated</b>
<b>Number of consecutive years</b>	2	2

	<b>Individual</b>	<b>Consolidated</b>
<b>Number of years audited by the current audit firm/number of fiscal years the company or its group has been audited (by %)</b>	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 Spain 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 appointed, 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

<b>Number of beneficiaries</b>	4
<b>Type of beneficiary</b>	<b>Description of agreement</b>
	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:

	<b>Board of Directors</b>	<b>General Shareholders' Meeting</b>
<b>Body authorising the severance terms</b>	√	

	Yes	No
<b>Are these terms notified to the Annual General Meeting?</b>	√	

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		
<b>Name</b>	<b>Position</b>	<b>Category</b>
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

<b>% of executive directors</b>	75.00
<b>% of proprietary directors</b>	0.00
<b>% of independent directors</b>	25.00
<b>% of other external directors</b>	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.

<b>Name of directors with experience</b>	MR RAMÓN BARRAL ANDRADE / MR JOSÉ MANUEL OTERO NOVAS / MS ALTINA DE FÁTIMA SEBASTIÁN GONZÁLEZ
<b>Date of appointment of the chairperson</b>	28/07/2022

Appointments, Compensation and Governance Commission		
<b>Name</b>	<b>Position</b>	<b>Category</b>
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

<b>% of executive directors</b>	0.00
<b>% of proprietary directors</b>	25.00
<b>% of independent directors</b>	50.00
<b>% of other external directors</b>	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 exercised 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	%
<b>Executive Committee</b>	0	0.00	0	0.00	0	0.00	0	0.00
<b>International Executive Committee</b>	1	16.67	1	16.67	0	0.00	0	0.00
<b>Audit Committee</b>	1	33.33	1	33.33	1	33.33	1	33.33
<b>Appointments, Remuneration and Governance Committee</b>	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.



## ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

---

(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.

## ANNUAL CORPORATE GOVERNANCE REPORT

### LISTED COMPANIES

- 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.





## ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

---

**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 contingencies 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 SANJOSE 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 SANJOSE 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,



## ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

---

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 SANJOSE 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 SANJOSE. 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 SANJOSE 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 SANJOSE 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.



## ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

---

### **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 ☒ ]    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 ☒ ]    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 ☒ ]

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 [ ☒ ]    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 [ ☒ ]    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 [ ☒ ]



## ANNUAL CORPORATE GOVERNANCE REPORT LISTED COMPANIES

---

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 ☒ 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 ☒

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 ☒ 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 [ ☒ ]    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 [ ☒ ]    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 [ ☒ ]    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 [ ☒ ]      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 [ ☒ ]      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 [ ☒ ]      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 [ ☒ ]      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 be duly recorded in the minutes.

Complies [ ☒ ]      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 [ ☒ ]      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 [ ☒ ]      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 [ ☒ ]      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 [ ☒ ]      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 ☒    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 ☒    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 ☒    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 ☒ ]

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 [ ☒ ]    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 [ ☒ ]

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 [ ☒ ]    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 [ ☒ ]    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 [ ☒ ]    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 ☒ 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 ☐ 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 ☒ 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 ☒ 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 ☐ 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 ☒ 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 ☒ 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 ☒ 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 ☒ 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 [ ☒ ]      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 [ ☒ ]      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)

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

### 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:

#### 1<sup>st</sup> 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.

#### 2<sup>nd</sup> Attendance allowances

#### 3<sup>rd</sup> 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

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

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.

4<sup>th</sup> Assistance benefits and risk coverage

5<sup>th</sup> 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.

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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.

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

**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.

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

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.

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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 Rodríguez, 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.



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

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

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

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](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

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

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.

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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.

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

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:

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

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.

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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 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.



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

---

- 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

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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				

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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	

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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	

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 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								

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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	

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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										



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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				

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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				

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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	

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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	

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
Mr JACINTO REY GONZÁLEZ								
Mr JACINTO REY LAREDO								
Mr JAVIER REY LAREDO								
Mr JOSÉ LUIS GONZÁLEZ RODRÍGUEZ								
Ms ALTINA FÁTIMA SEBASTIÁN GONZÁLEZ								

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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	

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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
-------

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

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 €).

Name	Remuneration accrued at the Company					Remuneration accrued at group companies					TOTAL FINANCIAL YEAR 2024 COMPANY + GROUP
	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	
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

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

Name	Remuneration accrued at the Company					Remuneration accrued at group companies					TOTAL FINANCIAL YEAR 2024 COMPANY + GROUP
	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	
Mr ROBERTO ÁLVAREZ ÁLVAREZ	128				128	58			58		186
Ms MARÍA JOSÉ ALONSO FERNÁNDEZ	42				42						42
Mr NASSER HOMAID SALEM ALI ALDAREI											
<b>TOTAL</b>	<b>3674</b>				<b>3674</b>	<b>125</b>			<b>125</b>		<b>3799</b>

### 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
<b>Executive directors</b>									
Mr JACINTO REY GONZÁLEZ	1060	-8.46	1158	-8.68	1268	-7.38	1369	-12.47	1564



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

	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
<b>External directors</b>									
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
<b>Consolidated Profit/(loss) for the year</b>									
	0	-	21,412	39.13	15,390	11.01	13,863	-37.15	22,059
<b>Average remuneration of</b>									

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

	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
<b>employees</b>									
	38	8.57	35	9.38	32	14.29	28	0.00	28

<b>Notes</b>
--------------

#### **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 individual annual accounts of the Company, as well as the individual management report, 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 individual annual accounts prepared in accordance with the applicable accounting principles provide a true and fair view of the assets, financial situation and results of the Company, and the management report includes a faithful analysis of the development and business results and the position of the Company, together with a description of the main risks and uncertainties it 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 Aldarei, 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

