

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

Report on limited review
Condensed consolidated interim financial statements
for the six-month period ended June 30, 2023
Consolidated interim 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

Report on limited review of condensed consolidated interim financial statements

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

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Grupo Empresarial San José, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the interim balance sheet as at 30 June 2023, and the interim income statement, interim statement of global profit, interim statement of changes in equity, interim cash flow statement and related notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the Audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2023 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

Emphasis of matter

We draw attention to note 2.1 of the condensed consolidated interim financial statements, in which it is mentioned that these mentioned interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2022. Our conclusion is not modified in respect of this matter.



Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended 30 June 2023 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 30 June 2023. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Grupo Empresarial San José, S.A. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

Original signed by

Fernando Chamosa Valín

27 July 2023

Grupo Empresarial San José, S.A. And Subsidiaries

Interim Condensed Consolidated Financial
Statements and Interim Consolidated Director's
Report for the first half of year 2023.

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

Translation into English of the Interim Condensed Consolidated Financial Statements for the first half of year 2023 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails. In-house translation, under its sole responsibility and not deemed official.

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiaries
Interim Condensed Consolidated Balance Sheet at 30 June 2023 and 31 December 2022
(Thousand of Euros)

ASSETS	Note	30-6-2023	31-12-2022	EQUITY AND LIABILITIES	Note	30-6-2023	31-12-2022
NON-CURRENT ASSETS:				EQUITY:			
Intangible assets	6	16,921	17,050	Share capital		1,951	1,951
Goodwill on consolidation	6.1	9,984	9,984	Reserves		40,587	41,530
Property, plant and equipment	7	84,905	80,418	Reserves in consolidated companies		166,194	155,141
Investment property	8	16,064	15,820	Translation differences	2.3	(31,110)	(40,823)
Investments in associates and joint ventures	9.1	22,720	20,509	Equity-Valuation adjustments		229	24
Equity investments in associates		22,720	20,509	Profit for the year attributable to the parent company		9,447	16,613
Long-term financial investments	9.1	21,666	20,631	Equity attributable to Parent shareholders		187,298	174,436
Equity instruments		7,218	6,602	Minority interests		35,546	32,117
Loans to third parties		13,811	13,378	TOTAL EQUITY	11	222,844	206,553
Other financial assets		637	651				
Deferred tax assets		26,966	27,838				
TOTAL NON-CURRENT ASSETS		199,226	192,250	NON-CURRENT LIABILITIES:			
				Long-term provisions	12	31,384	27,337
				Long-term debt	13	99,923	100,027
				Bank loans and overdrafts		2,763	3,415
				Other financial liabilities		97,160	96,612
				Deferred tax liabilities		16,456	18,324
				Long-term advances		774	783
				TOTAL NON-CURRENT LIABILITIES		148,537	146,471
				CURRENT LIABILITIES:			
CURRENT ASSETS:				Short-term provisions	12	33,785	35,252
Inventories	10	85,429	85,879	Current bank borrowings	13	12,210	12,467
Trade and other receivables		466,519	369,350	Bank loans and overdrafts		7,640	9,755
Trade receivables for sales and services	9.3	431,495	339,890	Other financial liabilities		4,570	2,712
Related companies receivables	17	1,401	2,635	Payable to related companies	17	977	727
Sundry accounts receivable		5,377	5,644	Trade and other payables		631,912	569,844
Public administrations		28,246	21,181	Trade payables		503,981	455,724
Investments in associates and joint ventures	17	3,133	7,600	Sundry creditors		2,476	3,082
Short-term investments	9.2	15,779	13,861	Staff, remuneration payable		7,990	7,227
Short-term accruals		2,360	2,718	Tax payables		20,843	12,377
Cash and cash equivalents		285,808	307,005	Advances from customers	9.3	96,622	91,434
TOTAL CURRENT ASSETS		859,028	786,413	Short-term accruals		7,989	7,349
TOTAL ASSETS		1,058,254	978,663	TOTAL CURRENT LIABILITIES		686,873	625,639
				TOTAL EQUITY AND LIABILITIES		1,058,254	978,663

Accompanying Notes 1 to 19 form an integral part of the Interim Condensed Consolidated Balance Sheet as 30 June 2023.

Translation into English of the Interim Condensed Consolidated Financial Statements for the first half of year 2023 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails. In-house translation, under its sole responsibility and not deemed official.

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiaries

Interim Condensed Consolidated Income Statement for first half years 2023 and 2022

(Thousands of euros)

	Note	30-6-2023	30-6-2022
CONTINUING OPERATIONS			
Revenue	5	643,902	524,883
Change in inventories of finished goods and work	10	585	1,546
Work performed by the Group for its property, plant and equipment	6 and 7	902	1,720
Procurements		(472,603)	(374,386)
Cost of raw materials and other consumables used		(128,863)	(103,214)
Works performed by other companies		(343,920)	(271,268)
Impairment of goods held for resale, raw materials and other supplies		180	96
Other operating income		6,769	9,456
Non-core and other current income		6,708	9,393
Operating grants taking to income		61	63
Staff costs		(82,249)	(71,546)
Other operating expenses		(71,939)	(72,420)
Impairment losses and changes in provisions for trade		(7,752)	(8,353)
Other operating expenses		(64,187)	(64,067)
Depreciation and amortisation charge	6,7 and 8	(5,165)	(4,045)
Excessive provisions		-	82
Impairment and gains or losses on disposal of non-current assets	7 y 8	(80)	(144)
PROFIT FROM OPERATIONS		20,122	15,146
Finance income		4,740	2,270
Finance costs		(3,076)	(3,967)
Change in fair value of financial instruments		(93)	(1)
Exchange differences		(151)	(263)
Adjustment for inflation in hyperinflationary economies	2.3	(829)	432
Impairment and gains or losses on disposal of financial instruments		(2,476)	(878)
FINANCIAL PROFIT		(1,885)	(2,407)
Profit/(Loss) of companies accounted for using the equity method	9.1	(302)	(102)
PROFIT/ (LOSS) BEFORE TAXES		17,935	12,637
Income Tax		(7,040)	(4,804)
PROFIT/ (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		10,895	7,833
PROFIT / (LOSS) ATTRIBUTABLE TO EXTERNAL PARTNERS		1,448	(739)
PROFIT / (LOSS) FOR THE YEAR		9,447	8,572

Accompanying notes 1 to 19 form an integral part of the Interim Condensed Consolidated Income Statement for first half year 2023.

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GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF GLOBAL PROFIT
FOR FIRST HALF YEARS 2023 AND 2022
(Thousand of Euros)

	Note	30/06/2023	30/06/2022
CONSOLIDATED PROFITS / (LOSSES) OF THE YEAR		10,895	7,833
Income and expenses recognised directly in equity		11,732	14,652
-For cash flow hedges		4	(11)
-Translation differences		11,653	14,585
-Other		101	101
-Tax effect		(26)	(23)
Transfer to income statement		123	(53)
-For cash flow hedges	13.5	285	(9)
-Translation differences		-	-
-Other		(121)	(62)
-Tax effect		-	18
TOTAL RECOGNISED INCOMES / (EXPENSES)		22,750	22,432
a) Attributable to Parent		19,365	19,502
b) Attributable to minority interests		3,385	2,930

Accompanying notes 1 to 19 form an integral part of the interim condensed consolidated statement of global profit for first half year 2023.

Translation into English of the Notes to the Interim Condensed Consolidated Financial Statements for the first half of year 2023 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails. In-house translation, under its sole responsibility and not deemed official.

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiaries
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FIRST HALF YEARS 2023 AND 2022
(Thousand of Euros)

	Note	Share Capital	Legal Reserve	Other reserves of the parent	Consolidated Reserves		Translation differences	Equity Adjustments	Profit of the year	Total Equity attributable to parent	Minority interests	Total Equity
					In consolidated companies	In associated companies						
Balance at December 31, 2021		1,951	390	44,679	152,544	(6,538)	(53,719)	259	12,099	151,665	30,478	182,143
Distribution of profit for year 2020:												
-To reserves		-	-	2,964	11,947	(2,812)	-	-	(12,099)	-	-	-
-Dividend payment		-	-	(6,503)	-	-	-	-	-	(6,503)	(407)	(6,910)
Total recognized income/expenses year 1H-2022		-	-	-	-	-	10,923	7	8,572	19,502	2,930	22,432
Balance at June 30, 2022		1,951	390	41,140	164,491	(9,350)	(42,796)	266	8,572	164,664	33,001	197,665
Other equity movements		-	-	-	-	-	-	-	-	-	(149)	(149)
Total recognized income/expenses 2H-2022		-	-	-	-	-	1,973	(242)	8,041	9,772	(735)	9,037
Balance at December 31, 2022		1,951	390	41,140	164,491	(9,350)	(40,823)	24	16,613	174,436	32,117	206,553
Distribution of profit for year 2022:												
- To reserves		-	-	5,560	11,619	(566)	-	-	(16,613)	-	-	-
- Dividend payment	4 and 11.3	-	-	(6,503)	-	-	-	-	-	(6,503)	(18)	(6,521)
- Other equity movements		-	-	-	-	-	-	-	-	-	62	62
Total recognized income/expenses at 1H-2023		-	-	-	-	-	9,713	205	9,447	19,365	3,385	22,750
Balance at June 30, 2023		1,951	390	40,197	176,110	(9,916)	(31,110)	229	9,447	187,298	35,546	222,844

Accompanying notes 1 to 19 form an integral part of the interim condensed consolidated statement of changes in equity for first half year 2023.

Translation into English of the Interim Condensed Consolidated Financial Statements for the first half of year 2023 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails. In-house translation, under its sole responsibility and not deemed official.

GRUPO EMPRESARIAL SAN JOSÉ, S.A. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR FIRST HALF YEARS 2023 AND 2022

(Thousand of Euros)

	Note	At 30 of June of 2023	At 30 of June of 2022
Cash flows from operating activities:			
(+) Profit (Loss) before tax		17,935	12,637
(+) Depreciation and amortisation charge		5,165	4,045
(+/-) Changes in operating allowances		8,687	6,201
(-) Financial income		(4,740)	(2,270)
(+) Financial costs		3,076	3,967
(+/-) Exchange differences		980	(169)
(+/-) Result of changes in value of financial instruments		93	1
(+/-) Result of companies accounted for using the equity method		302	102
(+/-) Impairment and gains or losses on disposals of financial investments		2,476	878
(+/-) Other gains or losses		1,007	(1,785)
Total Cash Flows from operating activities		34,981	23,607
Other adjustments			
(-) Income tax paid in the year		(7,723)	(7,243)
(+/-) (Increase) / Decrease in working capital			
Current Assets			
a) (Increase) / Decrease in inventories		2,902	(4,218)
b) (Increase) / Decrease in debtors and other receivables		(88,313)	(34,819)
Current Liabilities			
a) (Increase) / Decrease in trade payables		53,901	23,197
(+/-) Other collections / (payments) due to operating activities		(6,925)	(5,764)
1. TOTAL NET CASH FLOWS FROM OPERATING ACTIVITIES		(11,177)	(5,240)
Investments:			
(-) Intangible assets	6	(85)	(775)
(+) Property, plant and equipment	7 and 8	(2,861)	(4,392)
(-) Shares and other financial assets	9.1	(2,798)	(3,709)
Total Investments		(5,744)	(8,876)
Dividends received			
		82	51
Disposals:			
(+) Intangible assets		(75)	322
(+) Property, plant and equipment		172	58
(+) Shares and other financial assets		609	346
Total Disposals		706	726
Other collections / (payments) due to financing activities			
		73	389
2. TOTAL NET CASH FLOWS FROM FINANCING ACTIVITIES		(4,883)	(7,710)
Other collections / (payments) for operations with own securities			
		62	-
Dividends paid			
	11.4	(6,521)	(6,910)
Increase / (decrease) in borrowings			
Non Current	13.1	(2,994)	(1,460)
Current		(1,209)	1,252
		(1,785)	(2,712)
Net interests:			
Received		4,657	2,041
Paid		(2,204)	(1,938)
Other collections / (payments) due to financial activities			
		(575)	13
3. TOTAL NET CASH FLOWS FROM FINANCIAL ACTIVITIES		(7,575)	(8,254)
4. TRANSLATION EFFECT			
		2,438	3,915
TOTAL CASH FLOWS FOR THE YEAR		(21,197)	(17,289)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
		307,005	295,496
Changes in the year			
		(21,197)	(17,289)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		285,808	278,207

Accompanying notes 1 to 19 form an integral part of the interim condensed consolidated cash flow statement for first half year 2023.

Grupo Empresarial San José, S.A. and Subsidiaries

Notes to the Interim Condensed Consolidated Financial Statements for the first half of year 2023.

1. Activities of the Group

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

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

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

The registered office is in Pontevedra, at calle Rosalia de Castro, 44.

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

Activities

The activities carried on by the Parent and its investees (hereinafter referred to as "Grupo San Jose" or "Grupo") are classified into the following business lines:

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

12. Facilities and services: integral installation work, electrical, mechanical and hydraulic installation work, turnkey projects and special installation work, as well as the maintenance of all manner of other facilities not related to the healthcare industry such as industrial facilities, other properties, etc.
13. Infrastructure and transport: performance of infrastructure and transport studies, projects and installation work, including those relating to airports, ports, railways and other types of transport infrastructure.
14. Energy and environment: performance of studies and projects focused on the production and sale of energy and industrial maintenance, waste water treatment, installation of water treatment plants and other environmental activities.

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

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

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

The San Jose Group's activities are led by Grupo Empresarial San Jose, S.A. (holding company), which in turn mainly participates in: "Constructora San José, S.A." (construction activity), "San José Energía y Medio Ambiente, S.A." (energy activity), "San José Concesiones y Servicios, S.A." (services) and "Desarrollos Urbanísticos Udra, S.A." (urban developments).

2. Basis of presentation of the Interim Condensed Consolidated Financial Statements

2.1 Regulatory framework and accounting principles

The Consolidated Financial Statements of "Grupo Empresarial San José, S.A." and Subsidiaries (Grupo SANJOSE or "the Group") for the year ending 31 December 2022 were elaborated by the Directors of the Parent at the meeting of the Board of Directors that took place on 28 February 2023 and passed by resolution of the General Meeting held on 20 April 2023, pursuant to the provisions under the International Financial Information Regulations adopted by the European Union, in compliance with Regulations (CE) No 1606/2002 of the European Parliament and the Board (hereinafter "NIIF-UE", detailed on Notes 2-4 of the accompanying consolidated notes to the financial statements), taking into consideration the accounting regulations and standards and assessment criteria of the NIIF-UE, so that they provide a true and exact image of the equity and financial situation of Grupo SANJOSE at 31 December 2022 and its transactions, and the changes net equity and in the consolidated cash flow statement during the year ending on said date.

These Interim Condensed Consolidated Financial Statements comply with IAS 34 on Interim Financial Information and have been drafted by the Directors of the Parent on 27 July 2023, pursuant to provisions under Article 12 of Royal Decree 1362/2007.

The interim financial information is prepared with the sole purposes of updating the content of the latest annual financial statements prepared by the Group, with special emphasis on new activities, events and circumstances that occurred during the first half of 2023 and not duplicating the information released previously in the consolidated financial statements for the year 2022. Therefore, for a proper understanding of the information included in these Interim Condensed Consolidated Financial Statements, they should be read in conjunction with the financial statements of the Company for the year 2022.

The Directors of the Parent consider that, due to the nature of the business of the Group and within its international level, the effect of seasonality is null.

Each company prepares its individual financial information in accordance with the accounting principles and rules in force in the country in which it operates and, accordingly, the required adjustments and reclassifications were made on consolidation to unify the policies used and to make them compliant with EU- IFRSs.

Translation into English of the Notes to the Interim Condensed Consolidated Financial Statements for the first half of year 2023 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails. In-house translation, under its sole responsibility and not deemed official.

The accounting policies and method applied in the elaboration of these Interim Condensed Consolidated Financial Statements are the same as those applied to the consolidated financial statements for year 2022.

Enforcement of new accounting standards:

During the first half of year 2023 the following standards and interpretations, compulsory as from year 2023 onwards and adopted by the European Union, became in force and have been applied by the Group in the elaboration of the accompanying interim condensed consolidated financial statements: In addition, the following table includes those standards which, having been approved for use in the European Union, will not become mandatory until 2024:

New standards and amendments:

Adopted for use within the EU		Compulsory application as from:
Amendments and/or understanding		
IFRS 17 Insurance contracts and amendments	IFRS 17 replaces IFRS 4 "Insurance Contracts", which allowed for a wide variety of accounting practices. The new standard fundamentally changes the accounting for all entities that issue insurance contracts and investment contracts with discretionary participation features. In June 2020, the IASB amended the standard, developing specific amendments and clarifications intended to facilitate the implementation of the new standard, although they did not change the fundamental principles of the new standard. The standard is applicable for annual periods beginning on or after January 1, 2023, allowing early application if IFRS 9, "Financial Instruments" is applied on or before the date of initial application of IFRS 17.	01 January 2023
Amendment of IFRS 17 Insurance Contracts – Initial application of IFRS 17 and IFRS 9. Comparative information	The IASB has published an amendment to IFRS 17 that introduces limited-scope changes to the transition requirements of IFRS 17, "Insurance contracts", and does not affect any other requirements of IFRS 17. IFRS 17 and IFRS 9, "Financial Instruments" have different transition requirements. For some insurers, these differences may cause specific accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time. The amendment will help insurers avoid these asymmetries and therefore improve the usefulness of comparative information for investors.	01 January 2023
Amendment of IAS 1 Breakdown of accounting policies	Modifications that allow entities to properly identify the information on material accounting policies that must be disclosed in the financial statements	01 January 2023
Amendment of IAS 8 Definition of Accounting Estimates	IAS 8 has been amended to help distinguish between accounting estimate changes and accounting policy changes.	01 January 2023
IAS 12 (Amendment) "Deferred tax related to assets and liabilities derived from a single transaction"	In certain circumstances under IAS 12, companies are exempt from recognizing deferred tax when they first recognize assets or liabilities ("initial recognition exemption"). Previously, there was some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations, transactions for which both an asset and a liability are recognized on initial recognition. The modification clarifies that the exemption does not apply and that, therefore, there is an obligation to recognize deferred taxes on said transactions.	01 January 2023

The enforcement of these standards and regulations has not had any significant impact on the accompanying Interim Condensed Consolidated financial statements.

Standards and regulations non-adopted by the European Union

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

Non-adopted for use within the EU		Compulsory application as from:
Amendments and/or understanding		
IFRS 10 (Amendment) and IAS 28 (Amendment) "Sale or contribution of assets between an investor and its associates or joint ventures"	<p>These amendments clarify the accounting treatment of sales and contributions of assets between an investor and its associates and joint ventures, which will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a "business." The investor will recognize the full gain or loss when the non-monetary assets constitute a "business". If the assets do not meet the definition of a business, the investor recognizes the gain or loss to the extent of the interests of other investors. The modifications will only apply when an investor sells or contributes assets to its associate or joint venture.</p> <p>Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after January 1, 2016. However, at the end of 2015, the IASB made the decision to postpone their effective date (without setting a specific new date), as it is planning a broader review that may result in the simplification of accounting for these transactions and other aspects of accounting for associates and joint ventures.</p>	No specific date
IFRS 16 (Amendment) "Lease liability in a sale with leaseback"	IFRS 16 includes requirements on how to account for a sale and leaseback on the date the transaction takes place. However, it did not specify how to record the transaction after that date. This amendment explains how a company must account for a sale and leaseback after the date of the transaction.	01 January 2024
Amendment of IAS 1 Classification of liabilities as current or non-current	These modifications issued in January 2020 clarify that liabilities are classified as current or non-current, depending on the rights that exist at the end of the reporting period. The rating is not affected by the entity's expectations or events subsequent to the year-end date (for example, receipt of a waiver or breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the "settlement" of a liability.	01 January 2024
IAS 1 (Amendment) "Non-current liabilities with conditions ("covenants")"	<p>In October 2022, the IASB issued an amendment to IAS 1 "Presentation of financial statements", in response to concerns raised about the application of previous amendments to it (in January and July 2020) in relation to the classification of liabilities as current or non-current.</p> <p>The new amendment aims to improve the information provided when the right to defer payment of a liability is subject to compliance with conditions ("covenants") within twelve months after the reporting period.</p>	01 January 2024

IAS 12 (Amendment) "International tax reform: model rules of the Second Pillar"	<p>Large multinational companies affected must calculate their GloBE (acronym for "Global Anti-Base Erosion") effective tax rate for each jurisdiction in which they operate. Such companies will be required to pay additional tax on the difference between their effective GloBE tax rate by jurisdiction and the minimum rate of 15%.</p> <p>In May 2023, a temporary exemption from the requirement to recognize and disclose deferred tax arising from an enacted or substantially enacted tax law that implements the Pillar II model standards published by the OECD is provided. Specific Breakdowns:</p> <ul style="list-style-type: none"> • The fact of having applied the temporary exception to the recognition and breakdown of information on deferred tax assets and liabilities related to income tax arising from the Second Pillar; • Your current tax expense (if any) related to income tax arising from the Second Pillar; and • During the period between the passage or substantial passage of the legislation and the entry into force of the legislation, entities are required to disclose known or reasonably estimable information that would help users of financial statements to understand the entity's exposure to income tax arising from the Second Pillar. 	01 January 2023
IAS 7 (Amendment) and IFRS 7 (Amendment) "Supplier financing agreements ("confirming")"	The IASB has amended IAS 7 and IFRS 7 to improve disclosures on supplier financing agreements ("confirming") and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The amendment responds to investor concerns that some companies' supplier financing arrangements are not sufficiently visible.	01 January 2024

2.2 Responsibility for the information and use of estimates

Consolidated results and the determination of consolidated equity are sensitive to accounting principles and policies, valuation and estimation criteria followed by the Parent Company's Directors for the preparation of the Consolidated Condensed Financial Statements. Main accounting principles and policies and assessment criteria are detailed on Note 4 to the consolidated financial statements for year 2022.

In the preparation of the accompanying Interim Condensed Consolidated financial statements, estimates were occasionally made by management of the Group and of the consolidated companies to quantify certain of the assets, liabilities, income, expenses and obligations reported herein. These estimations have been made according to the best available information regarding:

1. The corporate tax expense that, in accordance with IAS 34, is recognised in interim periods based on the best estimate of the weighted average tax rate that the Group expects for the annual period
2. The useful life of the property, plant and equipment and intangible assets.
3. Measurement of goodwill arising on consolidation.
4. The budgetary estimates which are considered for the recognition of results on contracts to which the percentage of completion method is applied (construction and industrial areas).
5. The market value of the real estate assets has been derived from valuations carried out by independent experts as at 31 December 2022 and revised as at 30 June 2023. These valuations are carried out pursuant to the method of discount of cash flows for equity for rent and the dynamic residual method for real estate stocks, methods that comply with the criteria established by The Royal Institution of Chartered Surveyors (RICS).
6. The probability of occurrence and the amount of uncertain or contingent liabilities.
7. The fair value of certain non-listed assets.

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8. The fair value of certain financial instruments.
9. The probability of recovery of financial loans.
10. Management of financial risk.
11. Judgements and assumptions considered in contracts under the IFRS 16 Leasing standard.

Although these estimates were made on the basis of the best information available at the date of analysis, events that might take place in the future might make it necessary to significantly change these estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively in accordance with the requirements of IAS 8, recognising the effects of the change in estimates in the consolidated income statements for the years affected.

During the first half of 2023 no significant changes are expected in accounting assessments and forecasts used by the Group at the end of the consolidated financial statements for year 2022.

2.3 Currency

These Interim Condensed Consolidated Financial Statements are presented in Euros, since this is the functional currency of the main economic environment where the Group operates. Foreign operations are recognised in accordance with the policies established under Note 4.13 1h of the financial statements for year 2022.

The breakdown of the closing and average exchange rates of the period used to prepare the Interim Condensed Consolidated Financial Statements at 30 June 2023 is as follows:

Country	Currency	Year-end exchange rate	Average exchange rate
The United States	US Dollar (USD)	1.087	1.079
Argentina	Argentine Peso (ARS)	280.496	230.250
Mexico	Mexican Peso	18.598	19.647
Cape Verde	Cape Verde Escudo	110.265	110.265
Uruguay	Uruguayan Peso	40.524	41.439
Paraguay	Guaraní	7,927.130	7,842.434
Peru	Peruvian Sol	3.984	4.270
Chile	Chilean Peso (CLP)	874.790	879.023
Brazil	Brazilian Real	5.285	5.490
India	Indian Rupee	89.126	88.782
Nepal	Nepalian Rupee	143.730	142.614
United Arab Emirates	UAE Dirham	3.999	3.967

Main balances and transactions in foreign currency correspond to those from Chile, Peru, Argentina Cape Verde and Abu Dhabi. Note 5. of the accompanying consolidated financial statements includes total assets and revenue provided by companies with operating currency other than the Euro.

As of 30 June 2023, and 31 December 2022, the Group had negative translation differences allocated to the Parent recorded in equity amounting to EUR 31,110 thousand and EUR 40,823 thousand, respectively. The breakdown as of 30 June 2023 and 31 December 2022 by country is as follows:

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Thousands of euros			
Country	Currency	30.06.2023	31.12.2022
Argentina	Argentine Peso (ARS)	(8,315)	(11,027)
Paraguay	Guaraní	(4,338)	(4,064)
Peru	Peruvian Sol	(459)	(3,408)
Chile	Chilean Peso (CLP)	(11,722)	(13,996)
United Arab Emirates	UAE Dirham	(5,082)	(5,060)
Others	-	(1,194)	(3,268)

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

Hyper-inflationary economy

On 1 July 2018, as a result of reaching cumulative inflation in the year exceeding 100% during the last three years, Argentina has been declared a hyper-inflationary economy. Thus, terms under IAS 29 rule.

Criteria followed in the application of IAS 29 is described under Note 2.3 of the notes to the financial statements of Grupo SANJOSE for the year ending 31 December 2022.

Inflation considered for this calculation in the first half of year 2023 has been 50.7%. This index is extracted from the information published by the National Institute of Statistics and Censuses (INDEC), a public body, through the publication of the Consumer Price Index that measures the variation in the prices of goods and services representative of consumer spending of homes.

Breakdown for the last years is as follows:

	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020	31.12.2021	31.12.2022	1st Semester of 2023
Price index based	100	124.8	184.3	283.5	385.9	582.5	1,134.6	1,709.6
Annual variation	n/a	24.8%	47.7%	53.8%	36.1%	50.9%	94.8%	50.7%

Re-expression profits/(loss) recorded in the financial statements of companies with Argentine peso functional currency are included in the consolidated income statement under "Adjustment for inflation in hyper-inflationary economies". The effect on profit/(loss) of the adjustments for inflation of Group companies with Argentine peso functional currency, corresponding to the first half of year 2023, amounts to a profit of EUR 829 thousand (EUR 432 thousand profit in the first half of year 2022).

The effect on equity of the revaluation of non-monetary items, that stands at 30 June 2023 and 31 December 2022 at EUR 52,085 thousand and EUR 56,261 thousand, respectively, as well as translation differences generated when the restated financial statements of subsidiaries in Argentina are converted into Euros, are recorded under "Translation differences in consolidated companies" under consolidated net assets of the Group.

2.4 Provisions and contingent liabilities

Information on provisions, contingent liabilities and guarantees given to third parties during 2022 is provided in notes 15 and 21 of the consolidated notes to the Financial Statements of the Group for year 2022. In addition to that discussed in Note 12, during the first half of 2023 no significant changes regarding the information contained in the consolidated financial statements of the Group for year 2022 have taken place.

2.5 Relative importance

In determining the information to be disclosed in these Notes on the sundry items of the Consolidated Condensed Financial Statements or other matters, the Group has, in accordance with IAS 34, considered the materiality principle.

2.6. Consolidated Condensed cash flow statement

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

1. Cash flows: inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
2. Operating activities: the principal revenue-producing activities of the Group and other activities that are not investing or financing activities.
3. Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
4. Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Group companies that are not operating activities.

For the purpose of elaborating the Interim Condensed Consolidated cash flow statements, cash in hand and deposits held at call with banks have been classified as "cash and cash equivalents", as well as short term highly liquid investments that are easily convertible into amounts of cash and which are subject to an insignificant risk of changes in value.

2.7 Comparison of information

Information recorded on the Notes to the Half-Year Financial Statements for the period ending 30 June 2023 and 31 December 2022 is provided for comparison purposes only with that provided for the six-month term ended 30 June 2022.

2.8 Events after the reporting period

There are not significant events occurring after 30 June 2023 which could impact the Interim Condensed Consolidated Financial Statements and the accompanying Notes to the same.

3. Changes in the compositions of the Group

Note 2.4 and Exhibits I, II and III to the consolidated financial statements for the year ending on 31 December 2022 provide relevant information on Group companies consolidated at that date and on the companies accounted for using the equity method.

During the first half of 2023, no significant changes have taken place within the consolidation scope.

4. Distribution of the Parents' loss

The proposed distribution of the parents' profit for year 2022, prepared by the Directors of the Parent Company, at its meeting held on 28 February 2023, has been approved by the General Meeting of Shareholders held on 20 April 2023, being the details as follows:

	Thousands of Euros
Distribution basis: Profit for the year	5,560
Distribution: To voluntary reserves	5,560

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Further, the AGM held of 20 April 2023 has approved the distribution of a dividend charged to voluntary reserves for a gross amount of 0.10 euro/share, which amounts to a total of EUR 6,503 thousand, being fully paid at 30 June 2023 (see Note 11.3).

5. Segment information

Note 6 to the consolidated financial statements of the Group for year ending on 31 December 2022, details the criteria used by the Company to define its operational segments. There have been no changes in the segmentation criteria.

Next, information by activity segments for the first half of year 2023 and year 2022 is provided:

30 June 2023:

	Thousands of Euros					
	Construction	Real estate and property development	Energy	Concessions and Services	Adjustments and other	TO TAL
External sales	565,598	9,684	8,244	39,106	21,270	643,902
Inter-segment sales	4,448	-	-	945	(5,393)	-
Net Revenues:	570,046	9,684	8,244	40,051	15,877	643,902
EBITDA	20,043	2,629	1,791	1,857	7,005	33,325
Amortisation	(3,953)	(3)	(565)	(275)	(369)	(5,165)
Provisions	(6,435)	(265)	64	(1,522)	200	(7,958)
Impairment and Profit/(Loss) after disposal	2	-	(114)	33	(1)	(80)
PROFIT/(LOSS) FROM OPERATIONS	9,657	2,361	1,176	93	6,835	20,122
Financial income	1,566	814	594	1,456	310	4,740
Financial costs and similar expenses	(1,587)	(126)	(164)	(18)	(1,181)	(3,076)
Translation differences and other	(2,319)	(1,037)	2	21	(216)	(3,549)
Profit/(loss) from associates	(235)	(67)	-	-	-	(302)
Profit/(Loss) before tax	7,082	1,945	1,608	1,552	5,748	17,935

30 June 2022:

	Thousands of Euros					
	Construction	Real estate and property development	Energy	Concessions and Services	Adjustments and other	TO TAL
External sales	463,351	5,072	10,399	30,394	15,667	524,883
Inter-segment sales	4,961	-	-	1,429	(6,390)	-
Net Revenues:	468,312	5,072	10,399	31,823	9,277	524,883
EBITDA	18,525	750	2,367	1,829	3,984	27,455
Amortisation	(2,965)	(4)	(564)	(212)	(300)	(4,045)
Provisions	(8,202)	(38)	85	(10)	45	(8,120)
Impairment and Profit/(Loss) after disposal	-	-	(146)	1	1	(144)
PROFIT/(LOSS) FROM OPERATIONS	7,358	708	1,742	1,608	3,730	15,146
Financial income	1,077	82	20	923	168	2,270
Financial costs and similar expenses	(2,789)	(89)	(121)	(9)	(959)	(3,967)
Translation differences and other	(169)	(747)	4	1,469	(1,267)	(710)
Profit/(loss) from associates	(388)	286	-	-	-	(102)
Profit/(Loss) before tax	5,089	240	1,645	3,991	1,672	12,637

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Sales between segments are made at market prices, amounting to EUR 5,393 thousand and EUR 6,390 thousand during the first half of years 2023 and 2022, respectively.

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

30 June 2023:

	Thousands of Euros					
	Construction	Real estate and property development	Energy	Concessions and Services.	Adjustments and other	TOTAL
Balance sheet:						
Non-current assets:						
Intangible assets	2,289	1,601	16,911	8	6,096	26,905
Property, plant and equipment	18,814	-	8,287	1,508	56,296	84,905
Real estate investments	-	16,041	21	-	2	16,064
Deferred tax assets	8,262	1,313	1,176	2,103	14,112	26,966
Other	12,572	22,592	7	8,657	558	44,386
Current assets:						
Inventories	12,421	61,104	-	69	11,835	85,429
Receivables	411,799	2,273	2,067	29,211	21,169	466,519
Other current assets	1,013	46	58	1,188	55	2,360
Short-term financial investments	6,915	88	-	11,909	-	18,912
Cash and cash equivalents	216,724	20,780	18,041	20,646	9,617	285,808
Total Assets						
In Spain	467,741	57,350	31,908	18,135	54,061	629,195
In foreign countries	223,068	68,488	14,660	57,164	65,679	429,059
Total Assets	690,809	125,838	46,568	75,299	119,740	1,058,254
Non-current liabilities:						
Long-term payables	2,155	94,942	685	507	1,634	99,923
Deferred tax liabilities	7,891	5,843	1,376	966	380	16,456
Other non-current liabilities	17,209	190	1,175	11,757	1,827	32,158
Current liabilities:						
Short-term debts	5,853	28	1,429	268	5,609	13,187
Trade payables	601,217	3,102	3,035	16,788	7,770	631,912
Other current liabilities	28,386	834	531	7,829	4,194	41,774
Total Liabilities						
In Spain	509,229	92,290	8,120	11,321	16,788	637,748
In foreign countries	153,482	12,649	111	26,794	4,626	197,662
Total Liabilities	662,711	104,939	8,231	38,115	21,414	835,410
Additions to fixed assets:						
In Spain	6,007	-	141	138	306	6,592
In foreign countries	1,310	-	-	142	84	1,536
	7,317	-	141	280	390	8,128

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31 December 2022:

	Thousands of Euros					
	Construction	Real estate and property development	Energy	Concessions and Services.	Adjustments and other	TOTAL
Balance sheet:						
Non-current assets:						
Intangible assets	2,289	1,601	17,040	8	6,096	27,034
Property, plant and equipment	16,312	-	8,458	1,494	54,154	80,418
Real estate investments	-	15,818	-	-	2	15,820
Deferred tax assets	11,535	1,684	1,398	1,368	11,853	27,838
Other	12,052	20,374	7	8,232	475	41,140
Current assets:						
Inventories	11,132	61,754	153	75	12,765	85,879
Receivables	329,860	443	1,199	23,623	14,225	369,350
Other current assets	1,772	100	59	738	49	2,718
Short-term financial investments	10,619	52	2	10,753	35	21,461
Cash and cash equivalents	230,405	20,364	17,191	31,499	7,546	307,005
Total Assets						
In Spain	370,701	55,458	31,345	24,868	43,586	525,958
In foreign countries	255,275	66,732	14,162	52,922	63,614	452,705
Total Assets	625,976	122,190	45,507	77,790	107,200	978,663
Non-current liabilities:						
Long-term payables	1,639	93,983	1,371	547	2,487	100,027
Deferred tax liabilities	9,364	5,684	1,389	1,046	841	18,324
Other non-current liabilities	14,463	212	1,137	10,225	2,083	28,120
Current liabilities:						
Short-term debts	5,319	31	1,680	1,415	4,022	12,467
Trade payables	538,059	4,441	2,430	15,163	9,751	569,844
Other current liabilities	29,192	2,463	539	6,411	4,723	43,328
Total Liabilities						
In Spain	420,873	91,575	8,523	13,022	17,563	551,556
In foreign countries	177,163	15,239	23	21,785	6,344	220,554
Total Liabilities	598,036	106,814	8,546	34,807	23,907	772,110
Additions to fixed assets:						
In Spain	6,610	-	285	618	3,610	11,123
In foreign countries	2,265	5	115	761	407	3,553
	8,875	5	400	1,379	4,017	14,676

There are no significant non-operating assets.

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

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	Thousands of Euros					
	Net Revenue		Total assets		Additions to property, plant and equipment and real state investments	
	Jun.-23	Jun.-22	Jun.-23	Dic.-22	Jun.-23	Jun.-22
Spain	514,937	402,174	629,195	525,958	6,592	5,566
Portugal	67,629	64,803	100,512	113,717	516	494
Cape Verde	200	774	14,134	15,092	2	26
Argentina	4,391	3,757	47,439	46,534	77	176
Paraguay	6,314	1,979	51,521	51,253	110	130
Bolivia	-	-	2	10	-	-
The United States	-	-	7,851	8,186	206	37
Peru	12,709	5,081	41,881	39,645	226	176
Brazil	-	-	4,134	4,027	-	-
Panama	-	-	-	34	-	-
France	-	-	218	220	-	-
Germany	-	-	249	1,199	-	-
Chile	35,757	36,057	126,205	120,406	331	933
India	28	382	1,994	2,311	46	51
Abu Dhabi	1,583	9,862	25,714	43,678	-	38
Nepal	-	-	13	3	-	-
Timor	-	-	1	1	-	-
Mozambique	-	-	39	95	-	-
Mexico	169	14	6,919	5,584	21	18
Malta	-	-	16	671	-	-
Italy	185	-	217	39	-	-
TOTAL	643,902	524,883	1,058,254	978,663	8,128	7,646

Note 2.3 details the main foreign currencies of the countries where the Group operates. From total assets of the Group as of 30 June 2023 and 31 December 2022, EUR 327,847 thousand and EUR 336,859 thousand, respectively, correspond to assets in a currency other than the Euro. Likewise, from total revenue for the first half of year 2023 and year 2022, the activity developed in said countries amounts to EUR 61,151 thousand and EUR 57,906 thousand, respectively.

6. Intangible assets

Breakdown of intangible assets within the consolidated balance sheet at 30 June 2023 and 31 December 2022 is as follows:

	Thousands of Euros	
	30.06.2023	31.12.2022
Goodwill on consolidation (Note 6.1)	9,984	9,984
Concession agreements (Note 6.2)	12,602	12,792
Other intangible assets (Note 6.3)	4,319	4,258
Total	26,905	27,034

6.1 Consolidation goodwill

The breakdown of the item "Consolidation goodwill" of the half-year balance sheets at 30 June 2023 and 31 December 2022, by company, is as follows:

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	Thousands of Euros	
	30.06.2023	31.12.2022
Cartuja Inmobiliaria, S.A.U.	600	600
San José Perú Inmobiliaria, S.A.	1,601	1,601
Constructora San José, S.A.	7,662	7,662
Other	121	121
Total	9,984	9,984

During the first half of year 2023 no significant changes have been recorded under this item in the accompanying condensed consolidated balance sheet. Likewise, no significant change has loss has been recorded due to impairment of assets.

During the first six months of 2023, there have been no significant deviations from the estimates and projections made by the Group Management at the end of 2022, adequately supporting the net value of the registered goodwill allocated to the corresponding cash-generating units.

6.2 Concession agreements

This item mainly includes investments made regarding concession agreements, for which the consideration received by the Group consists of the right to charge a fixed and a variable stake, which is based on market rates and other parameters established by applicable regulations, as well as the degree of use of the facilities, assuming the risk of recovery of the investment made (assuming the risk of demand). Further, it includes costs incurred into by the Group for the achievement of administrative and other licenses and permits.

Breakdown of this item for the first half of year 2023 is as follows:

	Thousands of Euros			
	Cost	Accumulated depreciation	Impairment	Net
Balance at 31 December 2022	22,585	(9,129)	(664)	12,792
Additions	85	(277)	-	(192)
Disposals	-	-	-	-
Transfers	1	1	-	2
Balance at 30 June 2023	22,671	(9,405)	(664)	12,602

Additions in the first half of 2023 mainly relate to costs incurred into by the Group regarding the commissioning of the "Serra da Lagoa" wind power project in Lugo. This amount is recorded under the item "Work carried out by the company for its assets" in the accompanying consolidated condensed income statement for the first half of the year 2023.

At 30 June 2023 there are no significant investment commitments in intangible assets.

6.3 Other intangible assets

Breakdown of this item for the first half of year 2023 is as follows:

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	Thousands of Euros		
	Cost	Accumulated depreciation	Net
Balance at 31 December 2022	9,480	(5,222)	4,258
Additions	-	(66)	(66)
Disposals	-	-	-
Transfers	9	-	9
Translation differences	251	(133)	118
Balance at 30 June 2023	9,740	(5,421)	4,319

During the first half of year 2023, no significant changes have been recorded under this item.

7. Property, plant and equipment

Breakdown of this item for the first half of year 2023 is as follows:

	Thousands of Euros			
	Cost	Accumulated depreciation	Impairment	Net
Balance at 31 December 2022	152,750	(72,276)	(56)	80,418
Additions	8,044	(4,815)	-	3,229
Disposals	(2,383)	2,117	34	(232)
Transfers	91	-	-	91
Translation differences	124	1,275	-	1,399
Balance at 30 June 2023	158,626	(73,699)	(22)	84,905

The main addition during the period relates to the purchase of sundry machinery, under finance leases (see Note 13.1), for the development of the main activity of the Group company Constructora San José, S.A., amounting to EUR 715 thousand.

Besides, an addition of EUR 763 thousand is included, corresponding to the construction costs of a logistics warehouse for own use in Porriño (Pontevedra). As construction is executed by the Group itself, this amount is recorded under the item "Work carried out by the company for its assets" in the accompanying consolidated condensed income statement for the first half of the year 2023.

During the first half of year 2023, the Group derecognised items of property, plant and equipment for a total cost of EUR 2,383 thousand, which were fully depreciated, as they had reached the end of their useful life and were no longer in use.

Besides, during the first half of year 2023, there have been maturities and / or cancellations amounting to EUR 1,962 thousand, as well as new contracts related to lease contracts under the framework of IFRS 16, amounting to EUR 5,183 thousand. Additionally, amortisation for the period stands at EUR 3,098 thousand.

Outstanding additions for the year correspond mainly to investment in machinery and technical facilities incurred into by the Group for the development of its construction activity.

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

At 30 June 2023, the Group does not hold any purchase commitments of property, plant and equipment.

Fair value of items of property, plant and equipment

Each year the Group commissions studies from independent valuers to determine the fair values of its investment property. As of 31 December 2022, as well as in reference to the corresponding update report carried out on 30 June 2023, the mentioned studies have been conducted by "Instituto de Valoraciones, S.A." Such valuations were performed based on the sale value and lease value of the property on the market (which consists of capitalising the

net income from each property and discounting future flows), as defined by the Royal Institution of Chartered Surveyors (RICS) and in accordance with the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC), which group together international and European asset valuation institutions. The fair value was calculated using the discount rates acceptable to a prospective investor and in line with those applied by the market for properties of similar characteristics in similar locations.

According to the above-mentioned study, both, during the first half of 2023 and during year 2022, no significant changes have been recorded in the assessment of real estate investments.

At 30 June 2023 and 31 December 2022, the fair value of the Group 's inventories based on the study amounted to EUR 30,6 million and EUR 28 million, respectively. Carrying net cost at 30 June 2023 and 31 December 2022 amounts to EUR 14.7 million and EUR 13.6 million, respectively.

8. Investment property

Breakdown and details of this item for the first half of year 2023 are as follows:

	Thousands of Euros			
	Cost	Accumulated depreciation	Impairment	Net
Balance at 31 December 2022	49,395	(33,290)	(285)	15,820
Additions	-	(7)	-	(7)
Disposals	-	-	-	-
Translation differences	989	(738)	-	251
Transfer and other	-	-	-	-
Balance at 30 June 2023	50,384	(34,035)	(285)	16,064

8.1 Mortgaged investment property

As of 30 June 2023, there are no real estate assets mortgaged as collateral for the repayment of bank loans. During the month of February 2022, the Group has fully amortised in advance this financing.

8.2. Fair value of financial instruments

Each year the Group commissions studies from independent valuers to determine the fair values of its investment property at the balance sheet date. As of 31 December 2022, as well as in reference to the corresponding update report carried out on 30 June 2023, the mentioned studies have been conducted by "Instituto de Valoraciones, S.A." Such valuations were performed based on the sale value and lease value of the property on the market (which consists of capitalising the net income from each property and discounting future flows), as defined by the Royal Institution of Chartered Surveyors (RICS) and in accordance with the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC), which group together international and European asset valuation institutions. The fair value was calculated using the discount rates acceptable to a prospective investor and in line with those applied by the market for properties of similar characteristics in similar locations.

According to the above-mentioned study, both, during the first half of 2023 and during year 2022, no significant changes have been recorded in the assessment of real estate investments.

At 30 June 2023 and 31 December 2022, the fair value of the Group 's inventories based on the study amounted to EUR 90,6 million and EUR 90.3 million, respectively. Said amount, at 30 June 2023 and 31 December 2022, includes EUR 44.6 million and EUR 45.4 million, respectively, corresponding to real estate investments of investees according to the Groups' ownership interest (see Note 9).

8.3 Insurance policy

The Group takes out insurance policies to cover the possible risks to which substantially all its inventories are subject. Directors consider that contracted coverage insurance at 30 June 2023 is sufficient

9. Financial Assets

9.1. Non-current financial assets

The detail of the non-current financial assets of the Company at 30 June 2023 is as follows:

	Thousands of Euros			
	Other financial assets	Investments available for sale	Investments until maturity	Total
Equity instruments	22,720	7,218	-	29,938
Credit and loans	-	-	13,811	13,811
Other financial assets	-	-	637	637
Total	22,720	7,218	14,448	44,386

Investments accounted for using the equity method

The Group's most significant investments in associates at 30 June 2023 and 31 December 2022 were as follows:

	Thousands of Euros	
	30.06.2023	31.12.2022
Cresca, S.A.	86	86
Pinar de Villanueva, S.L.	148	148
Crea Madrid Nuevo Norte, S.A. (CMNN)	18,776	16,880
Panamerican Mall, S.A. (PM)	3,658	3,333
CSJ GVK Projects ´n Technical SS. P.L.	52	62
Net total	22,720	20,509

The breakdown under this item in the consolidated condensed financial statements for the first half of 2023 is as follows:

	Thousands of Euros
Balance at 31 December 2022	20,509
Profit/loss	(302)
Additions/retirements	2,103
Translation differences	410
Balance at 30 June 203	22,720

The main activity of the associated company "Crea Madrid Nuevo Norte, S.A." (formerly called "Distrito Castellana Norte, S.A.") is the urban development of the land comprising the area known as "Prolongación Castellana Norte", in the real estate development areas known as APR 08.03 and APE 05.27, in the municipality of Madrid. Grupo SANJOSE has participated in this company since its constitution, on 25 November 1993. On 29 July 2019, the Plenary Session of the Madrid City Council provisionally unanimously approved the urban project, so-called "Madrid Nuevo Norte" and, finally, on 25 March 2020, the Governing Council of the Community of Madrid definitively approved what will be the most important urban action in the coming years.

As of 30 June 2023, the Group holds a 10% stake in the capital of the company, as well as significant influence, to the extent that it maintains representation in its management body. During the first half of year 2023, the investee has carried out a capital increase for EUR 21,027 thousand. The Group has subscribed and paid up according to

its participation percentage the capital increase. During year 2022, the investee carried out a capital increase for EUR 10,449 thousand, fully subscribing and paying up the Group its stake.

Exhibit II to the consolidated financial statements of the Group for the year ending 31 December 2022 includes a list of the main ownership interests in associates, detailing name, country and participation percentage. The Group does not consider very relevant the impact on assets, profit or net equity of its participation in these companies. However, next is listed financial information of the main associates of the Group:

At 30 June 2023

	Millions of Euros		
	CMNN	PM	GSJ GVK
Non-current assets	6.1	341.2	0.0
Current assets	189.3	3.1	5.3
Total Assets	195.4	344.3	5.3
Non-current liabilities	1.0	85.7	0.0
Current liabilities	6.3	4.0	5.2
Total Liabilities	7.3	89.7	5.2
Income from ordinary activities	0.0	17.8	0.0
Profit/(Loss) from continued operations	(2.1)	(0.3)	(0.5)
Profit/(Loss) for the year	(2.1)	(0.3)	(0.5)

At 31 December 2022

	Millions of Euros		
	CMNN	PM	GSJ GVK
Non-current assets	5.3	415.7	0.0
Current assets	175.1	5.2	6.0
Total Assets	180.4	420.9	6.0
Non-current liabilities	1.0	104.6	0.0
Current liabilities	7.0	9.8	5.3
Total Liabilities	8.0	114.4	5.3
Income from ordinary activities	-6.1	35.6	0.0
Profit/(Loss) from continued operations	(4.3)	(24.0)	(1.8)
Profit/(Loss) for the year	(4.3)	(24.0)	(1.8)

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

At 30 June 2023

	Millions of Euros		
	CMNN	PM	GSJ GVK
Total net equity	188.1	254.6	0.1
% ownership of Grupo SANJOSE	10.00%	20.00%	50.00%
Net carrying amount of the stake (NCV)	18.8	50.9	0.0
Amendments of the NCV and other	-	(47.2)	-
Cost of the Groups' stake	18.8	3.7	0.1

At 31 December 2022

	Millions of Euros		
	CMNN	PM	GSJ GVK
Total net equity	172.4	306.5	0.7
% ownership of Grupo SANJOSE	10.00%	20.00%	50.00%
Net carrying amount of the stake (NCV)	17.2	61.3	0.4
Amendments of the NCV and other	-	(58.0)	(0)
Cost of the Groups' stake	17.2	3.3	0.1

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

Investments available for sale

The financial assets presented above basically represent investments in equity securities of unlisted entities. Carrying net cost at 30 June 2023 and 31 December 2022 amounts to EUR 7,218 thousand and EUR 6,602 thousand, respectively. Accumulated impairment as of 30 June 2023 and 31 December 2022 amounts to EUR 6,183 and EUR 6,155 thousand, respectively.

Those stakes are held valued at the best estimate of their fair value. In the event of listed companies, the lower quoted value at the end of the financial year or the average quotation of the last quarter is taken as reference of the recoverable value.

The main movement that occurred during the first half of 2023 is the additional contribution of EUR 547 thousand made by the Group's company "Constructora San José, S.A." to the investees "Madrid Affordable Housing 2021, S.A." and "Madrid Affordable Housing Development 2021, S.A.", of which it holds 10% of their share capital, and whose main activity is related to the "Plan VIVE" of the Community of Madrid. The Group does not exercise control or significant influence over these investees.

Net cost at which interest ownership of the Group is recorded, by associate, at 30 June 2023 and 31 December 2022 is as follows:

Company	Thousands of Euros	
	30.06.2023	31.12.2022
Bodegas Altanza, S.A.	736	736
Oryzon Genomics, S.A. (*)	640	669
Madrid Affordable Housing	4,970	4,423
Others	872	774
	7,218	6,602

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

Non-current investments held until maturity

This item mainly includes credits and collection rights with third parties. Carrying net cost at 30 June 2023 and 31 December 2022 amounts to EUR 14,448 thousand and EUR 14,029 thousand, respectively.

At 30 June 2023 and 31 December 2022, this item mainly includes the Group's receivables from clients arising from the renegotiation of long-term debt, or due to discrepancies pending resolution in legal or arbitration proceedings. Special mention deserves the following:

- Collection right for a total amount of EUR 9,479 thousand and EUR 9,053 thousand, as of 30 June 2023 and 31 December 2022, respectively, against the Chilean Ministry of Public Works, as a result of the termination of the contract and execution of the guarantee at the first request, which was maintained with the company of the Group "Sociedad Concesionaria San Jose Rutas del Loa, SA", in Chile. During the first half of year 2023 and year 2022, the variation is due to the evolution of the exchange rate.

Based on the analysis of the recoverability of said debt carried out by the Group, under the framework of IFRS 19, taking into consideration the counterparty's risk, the associated impairment recorded at 30 June 2023 and 31 December 2022 amounts to EUR 1,730 thousand and EUR 1,653 thousand, respectively. Besides, as of 30 June 2023 and 31 December 2022, the Group has recorded a provision for possible liabilities that may arise from this contract, amounting to EUR 8,393 thousand and EUR 8,016 thousand, respectively (see Note 15).

- Long-term collection right related to the "Improvement of the Checca-Mazocruz section highway," in Peru, amounting to EUR 4,564 thousand and EUR 4,170 thousand at 30 June 2023 and 31 December 2022, as a consequence of the unilateral termination of the contract by the client, notified in the month February 2020. The Group considers that the reasons alleged by the client for the termination of the contract are unfounded, and has started the arbitration procedure provided for in the contract itself. In addition, in fulfilment of this contract, there are net assets contributed to the Group amounting to Euros 2,117 thousand and Euros 1,922 thousand at 30 June 2023 and 31 December 2022, respectively. During the first half of year 2023 and year 2022, the variation is due to the evolution of the exchange rate.

Based on the analysis of the recoverability of said debt carried out by the Group, under the framework of IFRS 19, taking into consideration the counterparty's risk, the associated impairment recorded at 30 June 2023 and 31 December 2022 amounts to EUR 1,642 thousand and EUR 1,500 thousand, respectively. Further, as of 30 June 2023 and 31 December 2022, the Group has recorded a provision for possible liabilities that may arise from this contract, amounting to EUR 3,014 thousand and EUR 2,754 thousand, respectively.

9.2. Current financial assets

The detail of the non-current financial assets of the Company at 30 June 2023 is as follows:

	Thousands of Euros		
	Investments until maturity	Derivatives hedges	Total
Credit and loans	11,102	-	11,102
Derivatives	-	72	72
Other financial assets	4,605	-	4,605
Total	15,707	72	15,779

Current investments held until maturity

At 30 June 2023, it mainly includes the following:

- the amounts derived from short-term deposits, amounting to EUR 2,890 thousand.
- the amounts derived from short-term deposits and guarantees, amounting to EUR 1,708 thousand.
- a long-term receivable amounting to EUR 10,802 thousand related to the settlement agreement reached with the Chilean Ministry of Public Works by the Group company "Sociedad Concesionaria San José-Tecnocontrol, S.A." (see Note 9.1). During the first half of year 2023, finance income arising from the update of said items amounting to EUR 133 thousand was recorded.

9.3 Trade receivables and customer advances

The detail of "Trade receivables for sales and services" at 30 June 2023 and 31 December 2022 is as follows:

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	Thousands of Euros	
	30.06.2023	31.12.2022
Progress billings receivable and trade receivables for sales and provision of services	286,036	216,412
Executed works pending billing (OEPC)	64,622	66,531
Retentions for guarantees	79,876	61,971
Customers, discounted instruments	24,184	17,968
Impairment	(23,223)	(22,992)
Total	431,495	339,890
Advances	(96,622)	(91,434)
Total net accounts receivable	334,873	248,456

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

The item "Executed works pending billing - OEPC" includes executed works pending certification for construction contracts of the Group amounting to EUR 64,622 thousand at 30 June 2023. This amount includes the differences between the production units executed, valued at sale price, and the certification made to date under the current contract. The amount of executed work pending certification is made up of the contribution of many works and without, in general, there being any work that contributes a significant amount. The average term of construction contracts of the Groups in 1 and 2 years.

"Advances" under current liabilities on the consolidated balance sheet at 30 June 2023 and 31 December 22 include EUR 83,635 thousand and EUR 74,231 thousand corresponding to "Amounts to be billed for works performed", which is recognised as the lower revenue in accordance with the method of recognition of revenue based on the percentage of completion method.

10. Inventories

The detail of this item at 30 June 2023 and 31 December 2022 is as follows:

	Thousands of euros	
	30.06.2023	31.12.2022
Acquired property	4,944	4,951
Land and plots of land	63,884	63,440
Goods	4,860	6,851
Raw materials and other supplies	3,651	4,279
Inventories under construction	9,163	9,830
Other current inventory	5,426	4,953
Completed construction works	4,398	4,673
Other finished products	1,144	100
Advances to suppliers	11,081	10,102
Impairment losses on inventories	(23,122)	(23,300)
	85,429	85,879

Furthermore, the item "Other inventories in progress" mainly includes inventories in progress related to agricultural activity, amounting to EUR 4,852 thousand and EUR 4,896 thousand at 30 June 2023 and 31 December 2022, respectively.

10.1 Land purchase commitments

At 30 June 2023 and 31 December 2022, the Group has not signed any promise or option contracts to purchase land and plots.

In connection with the advances associated with commitments or promises of sale, the Group has no obligation to buy any of them, may proceed with the execution or reject them at the option of the Group.

10.2 Commitments to sell property developments in progress and completed buildings

At 30 June 2023 and 31 December 2022, the Group had entered into private agreements and reservation documents for the sale of property developments in progress and completed buildings at that date, for a total amount of EUR 4,716 thousand and EUR 8,047 thousand. At said date, the Group had received advances from the related customers totalling EUR 1,020 thousand and 4,089 thousand, respectively.

10.3 Impairment losses on inventories

Detail of impairment losses on inventories at 30 June 2023 and 31 December 2022 is as follows:

	Thousands of Euros	
	30.06.2023	31.12.2022
Acquired property	1,903	2,242
Land and plots of land	18,386	18,292
Completed construction works	311	225
Raw materials and other supplies	2,377	2,377
Completed construction works	145	164
TOTAL	23,122	23,300

Each year the Group commissions studies from independent valuers to determine the fair values of its investment property at the end of the year. As of 31 December 2022, as well as in reference to the corresponding update report carried out on 30 June 2023, the mentioned studies have been conducted by "Instituto de Valoraciones, S.A." Such valuations were performed based on the sale value of the property on the market, as defined by the Royal Institution of Chartered Surveyors (RICS) and in accordance with the International Valuation Standards (IVS) published by the International Valuation Standards Committee (IVSC), which group together international and European asset valuation institutions.

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

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

At 30 June 2023 and 31 December 2022, the fair value of the Group 's inventories based on the aforementioned study amounted to EUR 128.4 million and EUR 132.6 million, respectively. As at 30 June 2023, no additional impairment has become apparent. At 31 December 2022, the Group recorded net impairment amounting to EUR 218 thousand.

10.4 Insurance policy

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

10.5 Issuance rights

"Raw materials and other supplies" includes the greenhouse gas emission rights of the Group company "Poligeneració Parc de l'Alba ST-4, SA", the total cost being as of 30 June 2023 and 31 December 2022 of EUR 429 thousand and EUR 2,105 thousand, respectively.

11. Net equity

11.1 Share capital

At 30 June 2023 and 31 December 2022, share capital of the Parent was represented by 65,026,083 shares of EUR 0.03 par value each.

At 20 July 2009, Parent Company shares can be listed on the Continuous Market, with a market value of EUR 12.86 per share.

The closing and average quote for the last quarter of 2022 has been EUR 3.96 and EUR 3.86, respectively. The closing quote at 30 June 2023 and the average quote for the second quarter of year 2023 has been EUR 3.71 and EUR 3.90, respectively.

At 30 June 2023, the shareholder with a stake exceeding 10% in the share capital of the Parent Company was Mr. Jacinto Rey González, with a direct and effective participation of 24.952% and 48.292%, respectively

11.2 Legal reserve

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

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

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

As of the current date, the legal reserve is fully constituted.

11.3 Distribution of dividends

On 20 April 2023, the General Meeting of Shareholders of the Parent Company approved the distribution of a dividend charged to voluntary reserves for a gross amount of 0.10 euros/share, totalling EUR 6,503 thousand. At 30 June 2023, said dividend has been fully disbursed.

11.4 Valuation adjustments

This item of the consolidated half-yearly financial statements includes mainly the net value of variations in fair value of certain derivative instruments (see Note 13.3), under the provisions of IAS 9.

11.5 Shares of the Parent

At 30 June 2023 the Parent did not hold any treasury shares neither had executed transactions with treasury shares during the first half of 2023.

11.6 Property status of the Parent

At 30 June 2023, the Company records a positive net equity amounting to EUR 43,482 thousand.

11.7 Earnings per share

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

	30.06.2023	30.06.2022	Changes
Net profit/(loss) for the year attributable to the Parent (thousands of Euros)	9,447	8,572	875
Weighted average number of shares (shares)	65,026,083	65,026,083	-
Basic profit/(loss) per share (Euros/Share)	0.15	0.13	0.02

12. Current and non-current provisions

Changes in the first half of year 2023 in the balance sheet were as follows:

	Thousand of Euros	
	Long term provisions	Short term provisions
Balance at 31 December 2022	27,337	35,252
Additions / Reversals	5,193	4,306
Applications	(1,435)	(5,490)
Translation differences and others	289	(283)
Balance at 30 June 2023	31,384	33,785

12.1. Non-current provisions:

This item mainly includes provisions to cover possible contingencies that may affect Group SANJOSE, arising from litigation and court proceedings (see Note 9.1).

Note 15 to the consolidated financial statements for year 2022 describes the main litigation and court proceedings and other risks provisions at said date.

During the first half of year 2023, no significant changes with regards to current claims have been recorded.

12.2. Current provisions:

Current provisions classified under "Short-term provisions" include estimated amounts to face possible business contingencies. Likewise, this item includes the margin expected for completing those contracts where a negative result has been forecast.

13. Financial Liabilities

Breakdown of this item within the consolidated balance sheet at 30 June 2023 and 31 December 2022 as follows:

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30 June 2023:

	Thousands of Euros		
	Debts and accounts payable	Derivatives	Total
Non-current financial liabilities:			
Bank borrowings (Note 13.1)	2,763	-	2,763
Other financial liabilities (13.2)	97,160	-	97,160
Total non-current	99,923	-	99,923
Current financial liabilities:			
Bank borrowings (Note 13.1)	7,591	-	7,591
Derivatives (Note 13.3)	-	49	49
Other financial liabilities (13.2)	4,570	-	4,570
Total current	12,161	49	12,210

31 December 2022:

	Thousands of Euros		
	Debts and accounts payable	Derivatives	Total
Non-current financial liabilities:			
Bank borrowings (Note 13.1)	3,415	-	3,415
Other financial liabilities (13.2)	96,612	-	96,612
Total non-current	100,027	-	100,027
Current financial liabilities:			
Bank borrowings (Note 13.1)	9,461	-	9,461
Derivatives (Note 13.3)	-	294	294
Other financial liabilities (13.2)	2,712	-	2,712
Total current	12,173	294	12,467

13.1 Bank borrowings

Breakdown of this item in the accompanying balance sheet is as follows:

	Thousand of Euros	
	30.06.2023	31.12.2022
Non-current:		
Finance leasing	1,240	1,246
Bank loans and credit facilities	1,523	2,169
Total non-current	2,763	3,415
Current:		
Finance leasing	349	695
Payables from discounted notes and bills	2,384	1,235
Bank loans and credit facilities	4,858	7,531
Total current	7,591	9,461
TOTAL	10,354	12,876

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

At 30 June 2023, "Non-current bank borrowings and loans" under non-current liabilities includes mainly:

- EUR 1,260 thousand and EUR 685 thousand, respectively (EUR 1,371 thousand and EUR 1,150 thousand, respectively) corresponding to Project finance, granted for the construction, exploitation and operation of the plant and the facilities of the Group company "Poligeneraci Parc de LAlba ST-4, S.A." (see Note 6.2). This plant acts as collateral for credit facilities.
- On June 18, 2020, the Group company "Constructora San José, SA", has signed a guarantee loan from the ICO for an amount of 10,000 thousand euros with a maturity of three years and with a grace period of one additional year at a variable interest rate referenced to the Euribor plus a market differential. The last instalment of this loan was paid on 19 June 2023.

On 13 January and 28 April 2022, the Group company "Constructora San José, S.A." signed two leasing contracts for 41 months, including 41 instalments, related to machinery (Note 7).

At 30 June 2023 and 31 December 2022, the joint ventures in which the Group companies participate contribute balances arranged into discount lines amounting to EUR 1,397 thousand and 1,235 thousand, respectively.

During the first half of year 2023 and year 2022 there has been no default on its financial obligations under the financing contracts it holds.

Breakdown by maturity at 30 June 2023 is as follows:

	Thousands of euros				
	Year 2023	Year 2024	Year 2025	Year 2026 and followings	TOTAL
Finance lease	349	611	618	11	1,589
Payables from discounted notes and bills	2,384	-	-	-	2,384
Bank loans and credit facilities	4,858	917	528	78	6,381
TOTAL	7,591	1,528	1,146	89	10,354

13.2 Other financial liabilities

The item "Other non-current financial liabilities" mainly includes the amount of the long-term financial debt granted by the company "Merlin Properties Socimi, S.A." on 31 October 2019 for an amount of EUR 86,397 thousand and a fixed annual interest rate of 2%, payable on maturity, having lent as collateral the 10% stake held by the Group in the company "Crea Madrid Nuevo Norte, S.A." (formerly called "Distrito Castellana Norte, S.A.").

At 30 June 2023 this debt amounts to EUR 91,960 thousand. During the first half of year 2023, interest of EUR 923 thousand accrued.

"Other current financial liabilities" and "Other current financial liabilities:" include, mainly, the debt arising from the application of IFRS 16, amounting to EUR 1,170 and EUR 4,368, respectively, at 30 June 2023.

Breakdown by maturity at 30 June 2023 is as follows:

	Thousands of euros				
	Year 2023	Year 2024	Year 2025	Year 2026 and followings	TOTAL
IFRS 16 "Leases"	4,368	211	70	889	5,538
Merlin Properties Socimi, S.A.	-	-	-	91,960	91,960
Other financial liabilities	202	-	-	4,030	4,232
TOTAL	4,570	211	70	96,879	101,730

13.3 Derivative financial instruments

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

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

As of 30 June 2023, the derivative financial instruments contracted by Grupo SANJOSE are foreign currency forward purchases (fx-forward) and exchange rate swaps, linked to highly probable forecast transactions. II of them meet the requirements of IFRS 9 to be designated as hedged items within a relationship. The derivatives contracted by the Group and outstanding at 30 June 2023 and 31 December 2022, together with their fair values at those dates, classified according to their degree of efficiency, are as follows:

At 30 June 2023

	Thousands of Euros				
	Financial Instrum.	Maturity	Initial par value	Remaining par value at 30.06.2023	Balance at 30.06.2023 (Note 13)
Efficient Hedges:					
Trendy King, S.A.U.	FX-GBP	15/09/2023	438	438	26
Trendy King, S.A.U.	FX-USD	15/11/2023	2,698	2,698	33
Trendy King, S.A.U.	FX-USD	16/01/2024	2,767	2,767	(45)
Trendy King, S.A.U.	FX-GBP	15/04/2024	194	194	0
Trendy King, S.A.U.	FX-USD	15/02/2024	2,705	2,705	12
Trendy King, S.A.U.	FXS-USD	15/02/2024	1,000	1,000	(4)
			9,802	9,802	23

At 31 December 2022

	Thousands of Euros				
	Financial Instrum.	Maturity	Initial par value	Remaining par value at 31.12.2022	Balance at 31.12.2022 (Note 13)
Efficient Hedges:					
Trendy King, S.A.U.	FX-GBP	08/03/2023	463	463	(13)
Trendy King, S.A.U.	FX-GBP	15/09/2023	438	438	8
Trendy King, S.A.U.	FX-USD	10/05/2023	1,984	1,984	(125)
Trendy King, S.A.U.	FX-USD	12/06/2023	2,475	2,475	(156)
			5,360	5,360	(286)

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

The Group records as equity the change in fair value of hedge accounting financial instruments. At 30 June 2023, the adjustment in equity for changes in fair values of Hedge Elements, net of taxes, is positive amounting to EUR 332 thousand (at 31 December 2022 it was negative, amounting to EUR 149 thousand).

During the first half of 2023 and year 2022, an amount before tax of EUR 285 thousand and EUR 9 thousand of lower and higher procurement expenses, respectively, have been recycled from equity to financial income as hedged currency purchases are made in accordance with the designated hedging relationships.

Classification of financial instruments

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

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

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

Level 3 inputs all are unobservable inputs for the asset or liability.

According to IFRS 13, the hierarchy categorises the inputs used in valuation techniques of assets and liabilities into three levels. (Level 1, Level 2, Level 3). The hierarchy gives the highest priority to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs

Derivatives of the Group are classified as Level 2. On a residual basis, as of 30 June 2023, the Group classified as Level 1 the investment made in shares of an investee (see Note 9.1).

No transfers from Level 1 to Level 2 have taken place during the first half of year 2023. Neither had taken place inputs or outputs of Level 3 at 31 December 2022.

Sensitivity analysis of interest rate and exchange rate

Changes in the fair value of the exchange rate derivatives contracted by the Group depend, in the case of the exchange rate hedges contracted by the Group, on changes in the sterling/euro exchange rate curve.

At 30 June 2023, the variation that could occur in the value of derivative financial instruments in the event of changes in the currency curves envisaged is insignificant.

14. Guarantee commitments to third parties

As of 30 June 2023, and 31 December 2022, the Group has received from financial institutions and insurance companies, guarantees presented to third parties amounting to EUR 379 million and EUR 374 million, respectively (mainly provisional and definitive guarantees for bidding and contracting of works submitted to public and private organisations), of which EUR 0.04 million correspond to the Parent Company on both dates, and the outstanding to subsidiaries.

Of the total of guarantees provided to third parties by the Group, EUR 170 million (approximately 45%) relate to international activity of the Group, mainly in Abu Dhabi, Chile and Portugal, amounting to EUR 43 million, EUR 41 million and EUR 66 million, respectively

Said guarantees related to the Parent and Associates correspond mainly to bid bonds and performance guarantees granted to public and private entities, mainly, Banks and insurance companies.

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

15. Taxation

Directors of Grupo SANJOSE, for the preparation of this condensed consolidated financial statements at 30 June 2023, have taken into consideration the standards applicable during year 2023 up to now, without recording significant modifications with regards to the tax situation of the Group.

Years open for review by the tax authorities

Note 20.1 to the financial statements for year 2022 details the years open for review, as well as the main activities of the inspection. During the first half of the 2023 financial year, there have been no relevant variations with respect to the situation existing at the end of the 2022 financial year.

16. Other disclosure

16.1. Average workforce

The average workforce by professional category is as follows:

Category	30/06/2023		31/12/2022	
	Men	Female	Men	Female
University graduates	328	128	333	119
University three-year degree graduates	568	184	531	168
Clerical staff	134	168	150	123
Officers and technical personnel	2,638	120	2,532	134
	3,668	600	3,546	544

The average workforce at 30 June 2023 amounted to 4,279, of which 3,680 were men and 599 women

The average number of people employed in year 2022 and 2023 with a disability greater than or equal to 33% is 13 employees, mainly diploma graduates. The Company, considering 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.

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

All the material balances at 30 June 2023 from consolidated companies and the effect of the transactions performed among them during the year were eliminated on consolidation. The detail of the most significant balances between the Group and the non-consolidated associates and joint ventures and the effect of the transactions performed with them on the consolidated income statements are as follows:

	Thousand of Euros			
	Loans to third parties	Payables	Trade receivables	Services received
Panamerican Mall, S.A.	-	-	-	-
Cresca, S.A.	-	57	8	-
Pinos Altos XR, S.L.	-	1,275	-	60
CSJ-GVK Projects and Thecnical SS.	-	-	38	-
JV Partners and other	3,133	1,597	1,355	658
Total	3,133	2,929	1,401	718

Of the total accounts payable to related companies at 30 June 2023, an amount of EUR1,952 thousand are financial debts, being recorded under "Other financial liabilities" under non-current and current liabilities in the accompanying condensed consolidated balance sheet, amounting to EUR 1,490 thousand and EUR 462 thousand, respectively.

18. Remuneration

18.1 Remuneration of Directors

The detail of the remuneration of all kinds earned in 2023 and 2022 by the Directors of Grupo Empresarial San José, S.A., for any reason and by any group company, jointly controlled entity or associate obliged to pay such remuneration are as follows:

Translation into English of the Notes to the Interim Condensed Consolidated Financial Statements for the first half of year 2023 originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails. In-house translation, under its sole responsibility and not deemed official.

Type of Directors	Thousands of euros	
	30.06.2023	30.06.2022
Executive board members	1,654	1,624
Independent board members	113	89
Other external board members	145	102
Total	1,912	1,815

At 30 June 2023 and 31 December 2022, no advances, loans or other types of guarantees had been granted to former or current directors and there were no additional pension or life insurance obligations to them. In addition, the Group does not have any other kind of transactions with related parties.

The directors of the Group's companies are covered by "Corporate Liability Insurance Policies for Directors and Executives" taken out by the Parent Company of Grupo SANJOSE, in order to cover possible damages that could be claimed from it, and that may arise as a result of a management error committed by its directors or executives, as well as those of its subsidiaries, in the performance of their duties (see Note 24.1 of the Group's consolidated financial statements for year 2022).

18.2 Remuneration and other benefits of senior executives

Total remuneration of all kinds of Directors of the Parent and people discharging similar duties, excluding those who are simultaneously members of the Board of Directors (whose remuneration is disclosed above), is summarised as follows:

Number of people	Thousands of euros
At june 2023:	
10 directors	872
At june 2022:	
10 directors	816

Neither the Parent, nor any other company of the Group, have any pension or life insurance obligations to these directors.

19. Information on the environment

In the preparation of the Group's Interim Condensed Consolidated Financial Statements as of 30 June 2023, as well as these Explanatory Notes, the Directors of Grupo SANJOSE have considered the environmental regulations applicable during year 2023, without any significant changes affecting the Group during the first half of year 2023.

GRUPO EMPRESARIAL SAN JOSE, S.A. and Subsidiaries

Interim Consolidated Directors' Report for the first half of year 2023.

1. Status of the Entity

1.1. Organisational Structure

Grupo SANJOSE is arranged as a group of companies operating in different sectors. Since its foundation, the main business activity of the Group is construction, strengthening its activity in the last years.

The main lines of activity developed by Grupo SANJOSE are the following:

- Construction
- Concessions and Services.
- Energy and Environment
- 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 business model of the Group is to create a diversified group regarding both, geographic distribution and lines of activity as a way of being less exposed to the risk inherent to a single activity.

The Group is present in more than 20 countries all around the world, especially in Latin America.

The Group's main objective is to continue to balance the turnover, taking the construction activity as the main driving force, increasing the weight in the international arena - promoting development in the countries where we are already present and in those with future penetration, maintaining the levels of quality in production and customer and supplier satisfaction that have positioned Grupo SANJOSE as a benchmark in the market, analysing and encouraging the application of innovations and technological progress in a context of maximum concern for the environment, and maintaining a reduced level of costs that guarantees the profitability of the projects.

2. Evolution of the market

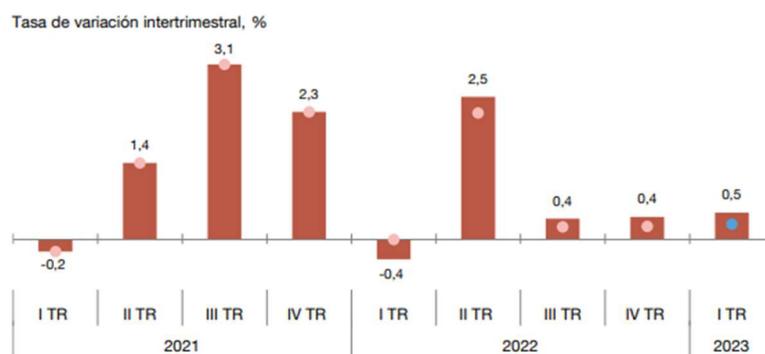
2.1. Market performance

The Spanish economy's GDP grew at a quarter-on-quarter rate of 0.5% in the first quarter of the year, slightly above the rate forecast in the Bank of Spain's projection exercise published in March, and above the rate recorded in the last quarter of 2022. Moreover, according to the advance of the Quarterly National Accounts (QNA) published by the National Statistics Institute (INE) at the end of April, there has been a revision of data leading to higher quarter-on-quarter growth rates in the last three quarters of 2022.

Everything suggests that the increase in output in the first half of 2023 was due to the contribution of net external demand (1.3 pp), while the contribution of domestic demand was negative (0.8 pp), in a context in which the dynamism of investment was not sufficient to offset the decline in private consumption.

On the supply side, the branches of activity that experienced the greatest dynamism in the first three months of the year were those linked to the primary sector and to the trade, transport and hotel and catering sectors. Financial and insurance activities recorded the largest declines, while the branches linked to industry showed a certain sluggishness.

In the first half of the year, the Spanish economy's GDP was 0.2% below that observed at the end of 2019. By way of comparison, in the same period, GDP in the euro area was 2.2% higher than this benchmark.



FUENTES: Banco de España e Instituto Nacional de Estadística.

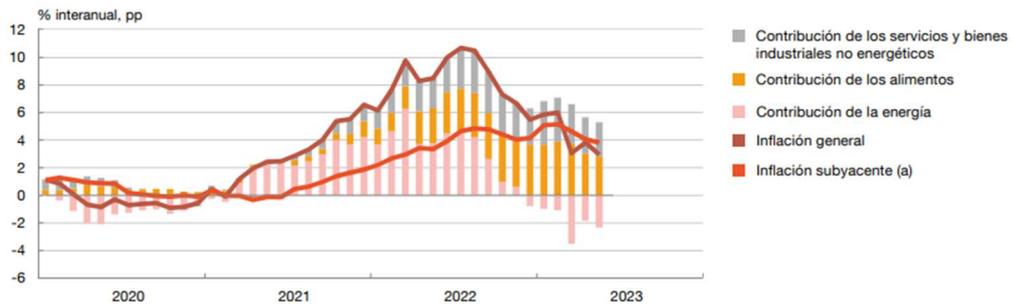
The most recent conjunctural indicators suggest, on balance, that the dynamism of Spanish economic activity may have accelerated slightly in the second quarter of 2023. According to the various indicators available, the rate of growth of Spanish GDP in this period could be around 0.6% quarter-on-quarter.

Job creation has continued to show a high degree of dynamism in recent months, especially in certain services sectors. Social Security enrolment showed a seasonally adjusted monthly increase of 0.4% in April and 0.2% in May. Considering these increases and the trend in Social Security enrolment during the first half of June - which points to a weaker performance in job creation, in line with that observed in the second half of May - it might be expected that the quarter-on-quarter increase in employment for the second quarter would be somewhat above the 0.9% recorded in the first three months of the year. This good employment performance is being generalised by branch of activity. However, it is worth noting the recent strength of employment in the service branches linked to tourism activities, information and communication activities, as well as professional, scientific and technical activities.



FUENTES: Ministerio de Inclusión, Seguridad Social y Migraciones, y Banco de España.

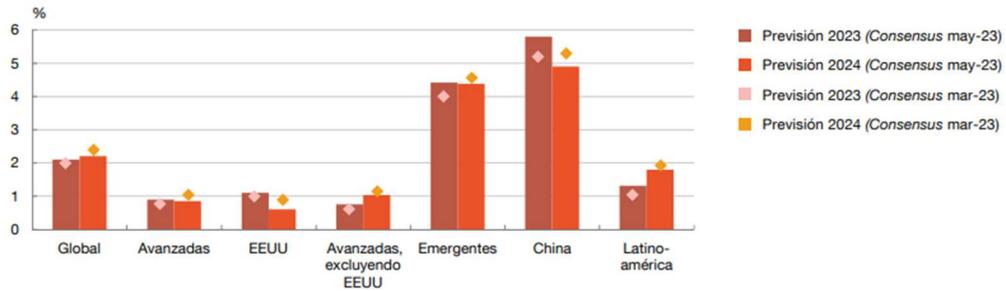
Headline inflation continues to moderate, owing to the energy component, while in recent months there have been incipient signs of a deceleration in food prices and core inflation. Inflation in Spain stood at 2.9% in May - below expectations and below the euro area inflation rate - which is 7.8 pp lower than the peak rate of 10.7% reached in July 2022. So far, this correction has been mainly supported by the deceleration of the energy component of prices. However, in the period to the second quarter, both food prices - especially visible in the case of oils, bread and cereals, and dairy products - and core inflation - for example, transport and, more recently, items related to housing, leisure, catering and tourism - also appear to have started a moderate deceleration trend. Looking ahead, however, several factors could contribute to some downward resistance to current inflationary pressures. These factors include, for example, possible asymmetries in the pass-through to consumer prices of changes in energy prices, i.e., a slower pass-through of decreases in energy costs than of increases, drought, which poses an upside risk to the future evolution of certain food prices, and the possibility that there may be second-round effects on inflation through wages and/or business margins.



FUENTES: Eurostat y Banco de España.

The Bank of Spain's new macroeconomic projections revise upwards GDP growth in 2023 and downwards the average headline inflation rate this year. Our country's GDP is estimated to grow at rates of 2.3%, 2.2% and 2.1% in 2023, 2024 and 2025, respectively. On the other hand, commodity price assumptions are now somewhat more favourable for growth in 2023, although this is offset by a more negative impact on activity from tighter financing conditions. Over the rest of the horizon, projected growth for 2024 is revised slightly downwards by 0.1 pp, while it remains unchanged for 2025. The headline inflation rate is expected to pick up to 3.6% in 2024 - as a result of the unwinding of the measures deployed by the authorities to address the energy crisis - and then moderate to 1.8% in 2025. In a context of continued high uncertainty, risks to the growth projections are mainly tilted to the downside, while risks to inflation are considered to be balanced.

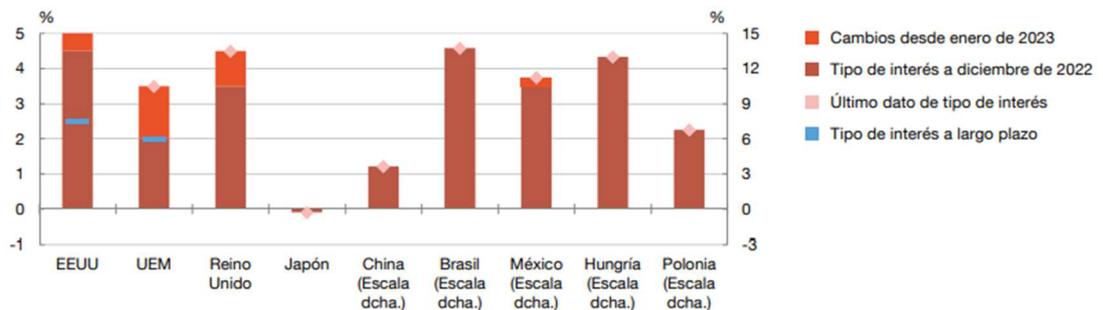
Global economic activity has gained traction in the first months of 2023, driven by high dynamism in the services sector. Over the last few months, in a context of relative sluggishness in manufacturing, the considerable dynamism of services would seem to be related both to the persistence of the positive impact of the reopening of the economy after the health crisis on demand in the branches of activity with a greater social content and to the intense growth of information and communication activities and professional services associated with the digital transformation process. Among the world's major economies, employment developments in the United States continue to surprise on the upside, although activity slowed in the first quarter. In China, the end of the COVID-zero policy at the end of 2022 is expected to have boosted activity more than expected in the first months of this year, although the latest economic indicators point to a certain slowdown. Taken together, these developments have recently led to a slight upward revision in analysts' growth forecasts for the current year - especially in China - and a slight downward revision for 2024 - in view of persistent inflation and tight financial conditions.



FUENTES: Bloomberg, Consensus Forecast y S&P Global.

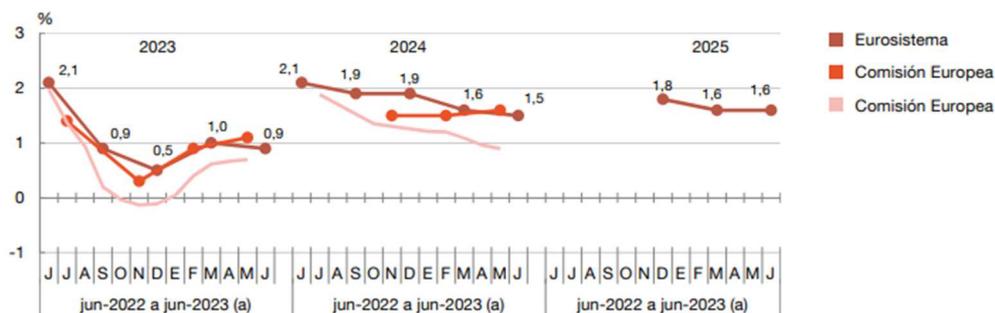
Headline inflation rates have continued their moderation at the global level, although core inflation has not yet flexed downwards across the board. In recent months, declining energy prices have continued to contribute to lower headline inflation rates at the global level. However, core inflation rates continue not to flex downwards in a significant and broad-based way, except in some emerging economies. Price developments are very heterogeneous across industries. On the one hand, the normalisation of global supply chains and the decline in commodity prices have supported a relatively strong deceleration in manufacturing prices in recent months. On the other hand, the recent strength of demand for services has meant that inflation in these branches of activity has been less subdued and has even risen in some geographical areas.

Major central banks have moderated the pace of monetary policy tightening. Thus, for example, the European Central Bank, which raised its policy rates by 50 bps at its December 2022 and February and March 2023 policy meetings, went on to adopt 25 bps rate hikes at its last two policy meetings in May and June. Similar restraint has also been observed at most central banks in developed economies - such as the Bank of England. For its part, the US Federal Reserve decided to maintain the federal funds rate at its June meeting, after successively increasing it by 25 bp at the three previous meetings. In this context, where policy rates are in tightening territory in the world's major economies and the pace of further tightening of global monetary policy has already moderated significantly, analysts' focus has begun to turn to the timing of the first interest rate cuts in some regions.



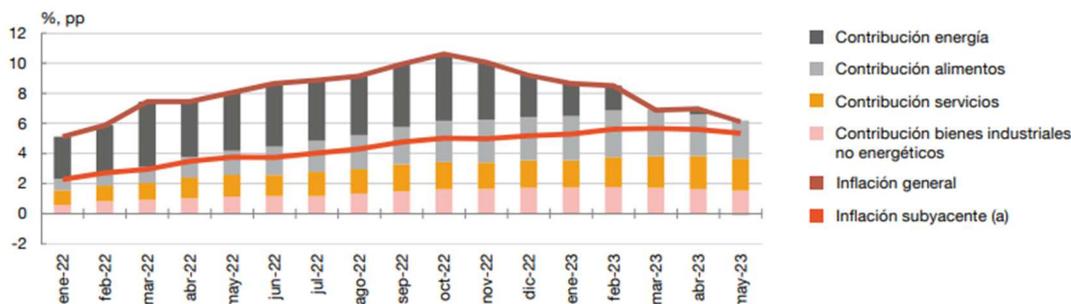
FUENTES: Bancos centrales nacionales y Refinitiv.

In the euro area, economic activity has regained some momentum in recent months, following the slight declines recorded in previous quarters. After two quarters in which GDP in EMU recorded slight declines, the most recent conjunctural indicators point, on balance, to a positive quarter-on-quarter growth rate in the second quarter, which, according to the Eurosystem's June projection exercise, could be around 0.3%. However, the latest information suggests that the pace of output growth in the second quarter will be slower than expected a few weeks ago. Moreover, persistently high inflation and the monetary policy tightening process initiated in late 2021, the effects of which on activity could reach their maximum intensity with a lag of between 18 and 24 months, point to some moderation in the pace of GDP growth in the euro area in the second half of the year. All in all, the Eurosystem's June projection exercise projects GDP growth for EMU in 2023 and 2024 at 0.9% and 1.5% respectively, while the projected output growth for 2025 remains broadly unchanged.



FUENTES: Comisión Europea, Consensus Economics, Eurosystem y Eurostat.

Although inflation in EMU remains on a downward path, it remains at high levels, reflecting the buoyancy of food and services prices. Headline inflation in the euro area continued its downward trend in May to 6.1%. In contrast to much of 2022, the contribution of the energy component to these still very high inflationary pressures was close to zero, while food and services hardly declined from their recent peaks. In this respect, core inflation -which reflects the evolution of the prices of services and non-energy industrial goods- stood at 5.3% in May, only 0.4 pp below the peak reached in March.



FUENTE: Eurostat.

CONSTRUCTION is the segment that contributes most to the Group's turnover.

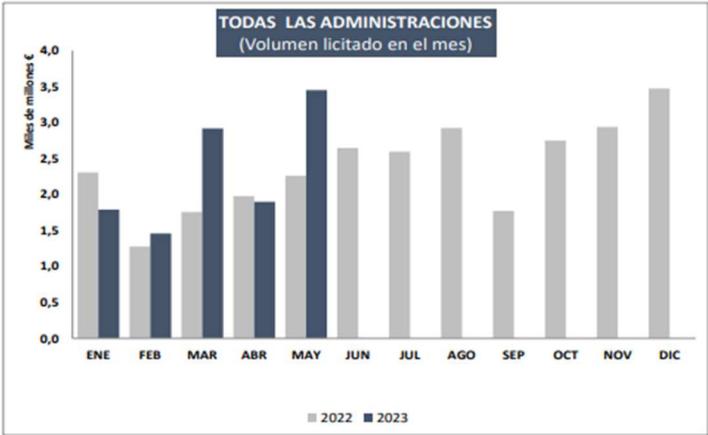
The construction industry in Spain will grow by 4% in 2023, according to forecasts by the Seopan employers' association, which brings together the country's main construction companies. According to Seopan, this growth will be mainly driven by the increase in civil works, with an increase of 11.8% in terms of activity and which will represent 15.7% of national production. In this section, the entry into production of a significant volume of work tendered and not contracted in 2022, worth more than 9.1 billion euros, stands out. Seopan's forecasts for the construction industry in Spain for the year 2023 are as follows:

Segmento	Crecimiento	Peso
Obra Civil	11,8%	15,7%
Edificación residencial (obra nueva)	3,0%	33,7%
Edificación residencial (rehabilitación)	2,4%	21,5%
Edificación no residencial	5,6%	29,1%

Fuente: Alimarket con datos de Seopan

Seopan again pointed out the significant impact that the rising costs of materials such as corrugated steel, copper and aluminium and energy prices (gas and electricity) are having on construction. According to the employers' association, materials account for between 33% and 40% of construction work in Spain. According to Seopan, 85% of the price revisions of the works exceed 20% of the legal limit of the exceptional revision decree.

The public tenders of public administrations during the financial year 2022, and until May 2023, are as follows:



2.3. Main figures of the GROUP

Main consolidated figures of Grupo SANJOSE for the first semester of year 2023 are as follows:

Consolidated Management Balance Sheet

Thousands of euros

	Jun.23		Dec. 22		Var.
	Amount	%	Amount	%	
Intangible assets	16,921	1.6%	17,050	1.7%	-0.8%
Property, plant and equipment	84,905	8.0%	80,418	8.2%	5.6%
Real state investments	16,064	1.5%	15,820	1.6%	1.5%
Investments accounted for using the equity method	22,720	2.1%	20,509	2.1%	10.8%
Long term financial investments	21,666	2.0%	20,631	2.0%	5.0%
Deferred taxes assets	26,966	2.5%	27,838	2.8%	-3.1%
Goodwill on consolidation	9,984	0.9%	9,984	1.0%	0.0%
TOTAL NON-CURRENT ASSETS	199,226	18.8%	192,250	19.6%	3.6%
Inventories	85,429	8.1%	85,879	8.8%	-0.5%
Trade and other receivables	466,519	44.1%	369,350	37.7%	26.3%
Other short term financial investments	18,912	1.8%	21,461	2.2%	-11.9%
Short-term accruals	2,360	0.2%	2,718	0.3%	-13.2%
Cash and cash equivalents	285,808	27.0%	307,005	31.4%	-6.9%
TOTAL CURRENT ASSETS	859,028	81.2%	786,413	80.4%	9.2%
TOTAL ASSETS	1,058,254	100.0%	978,663	100.0%	8.1%

Thousands of euros

	Jun.23		Dec. 22		Var.
	Amount	%	Amount	%	
Equity attributable to shareholders of the parent	187,298	17.7%	174,436	17.8%	7.4%
Minority interest	35,546	3.4%	32,117	3.2%	10.7%
TOTAL EQUITY	222,844	21.1%	206,553	21.1%	7.9%
Long term provisions	31,384	3.0%	27,337	2.8%	14.8%
Long term financial liabilities	99,923	9.3%	100,027	10.2%	-0.1%
Deferred taxes liabilities	16,456	1.6%	18,324	1.9%	-10.2%
Long-term accruals	774	0.1%	783	0.1%	-1.1%
TOTAL NON CURRENT LIABILITIES	148,537	14.0%	146,471	15.0%	1.4%
Short term provisions	33,785	3.2%	35,252	3.6%	-4.2%
Short term financial liabilities	13,187	1.2%	13,194	1.3%	-0.1%
Trade accounts and other current payables	639,901	60.5%	577,193	59.1%	10.9%
TOTAL CURRENT LIABILITIES	686,873	64.9%	625,639	64.0%	9.8%
TOTAL EQUITY & LIABILITIES	1,058,254	100.0%	978,663	100.0%	8.1%

Consolidated Management Income Statements

Thousands of euros

	Grupo SANJOSE				
	Jun.23		Jun.22		Var.
	Amount	%	Amount	%	
Revenue	643,902	100.0%	524,883	100.0%	22.7%
Other operating income	7,610	1.2%	11,114	2.1%	-31.5%
Change in inventories	585	0.1%	1,546	0.3%	-62.2%
Procurements	-472,783	-73.4%	-374,483	-71.3%	26.2%
Staff costs	-81,802	-12.7%	-71,546	-13.6%	14.3%
Other operating expenses	-64,187	-10.0%	-64,059	-12.2%	0.2%
EBITDA	33,325	5.2%	27,455	5.2%	21.4%
Amortisation charge	-5,165	-0.8%	-4,045	-0.8%	27.7%
Impairment on inventories	180	0.0%	96	0.0%	87.5%
Changes in trade provisions and other impairment	-8,218	-1.3%	-8,360	-1.6%	-1.7%
EBIT	20,122	3.1%	15,146	2.9%	32.9%
Ordinary financial results	1,664	0.3%	-1,697	-0.3%	--
Changes in fair value for financial instruments	-93	0.0%	-1	0.0%	-
Foreign exchange results and others	-980	-0.2%	169	0.0%	--
Impairment and profit/(loss) from disposal of financial instrument	-2,476	-0.4%	-878	-0.2%	182.0%
NET FINANCIAL RESULT	-1,885	-0.3%	-2,407	-0.5%	-21.7%
Results on equity method	-302	0.0%	-102	0.0%	196.1%
PROFIT BEFORE TAX	17,935	2.8%	12,637	2.4%	41.9%
Income tax	-7,040	-1.1%	-4,804	-0.9%	46.5%
PROFIT AFTER TAX CONTINUED OPERATIONS	10,895	1.7%	7,833	1.5%	39.1%
CONSOLIDATED PROFIT	10,895	1.7%	7,833	1.5%	39.1%

Alternative Performance Measures (APM):

In its interim consolidated summary financial statements for the first half of year 2023, the Group prepared its results in accordance with generally accepted accounting regulations. However, directors believe that certain alternative performance measures (MARs) reflect the true and fair view of its financial information and provide useful additional financial information used in the management of the business and that shall be considered to adequately assess performance of the group.

Among others, the Group identifies the following APMs:

- **EBITDA:** defining it as the gross operating result, calculated from operating income, excluding depreciation, provisions and impairment provided or reverted during the period, as well as the result from disposal of fixed assets.
- **Net financial debt (NFD):** total amount of bank and non-bank financial debt, including finance lease creditors and the valuation of obligations associated with financial derivative instruments, discounting the amount recorded under "Other current financial assets" And "Cash and cash equivalents" under current assets in the balance sheet.
- **Backlog:** total amount of sales contracted by Group companies with customers, discounting items made and recognised as income under the income statement, In concession contracts, the total amount of sales is identified with the best estimate carried out by the Group, which is included in the economic-financial business plan of the concessionaire.

Turnover

The net operating income (EBIT) of Grupo SANJOSE for the first half of year 2023 stands at EUR 643.9 million.

The main activity of Grupo SANJOSE is construction, representing the 88.5% of the total turnover of the Group, and accounting for 78% of the Group's total backlog at the end of the period.

Turnover of Grupo SANJOSE by type of activity is as follows:

Thousands of euros

Revenues by activity	Grupo SANJOSE				
	Jun.23		Jun.22		Var.(%)
Construction	570,046	88.5%	468,312	89.2%	21.7%
Real estate and property development	9,684	1.5%	5,072	1.0%	90.9%
Energy	8,244	1.3%	10,399	2.0%	-20.7%
Concessions and services	40,051	6.2%	31,823	6.1%	25.9%
Adjustment and other	15,877	2.5%	9,277	1.8%	71.1%
TOTAL	643,902		524,883		22.7%

The domestic market showed great strength, growing by 28% compared to the same period of the previous year, accounting for 80% of the Group's total revenues in the period.

For its part, turnover from international markets contributes EUR 129.0 million, and represents 20% of the Group's turnover in the period.

Thousands of euros

Revenues by geography	Grupo SANJOSE				
	Jun.23		Jun.22		Var.(%)
National	514,937	80%	402,173	77%	28.0%
International	128,965	20%	122,710	23%	5.1%
TOTAL	643,902		524,883		22.7%

Profit:

EBITDA of Grupo SANJOSE for the first half of year 2023 amounts to EUR 33.3 million, with a 5.18% margin on net revenue (5.23% in the first half of year 2022).

EBITDA breakdown by activity is as follows:

Thousands of euros

EBITDA by activity	Grupo SANJOSE				
	Jun.23		Jun.22	Var.(%)	
Construction	20,043	60.2%	18,525	67.5%	8.2%
Real estate and property development	2,629	7.9%	750	2.7%	250.5%
Energy	1,791	5.4%	2,367	8.6%	-24.3%
Concessions and services	1,857	5.6%	1,829	6.6%	1.5%
Adjustment and other	7,005	21.0%	3,984	14.5%	75.8%
TOTAL	33,325		27,455		21.4%

EBIT of Grupo SANJOSE stands at EUR 20.1 million, representing a margin of 3.1% on net turnover (2.9% in the first half of year 2022).

Profit after tax of Grupo SANJOSE stands at EUR 10.9 million, experiencing a 39.1% increase with respect to the figure obtained in the same period of year 2022.

Net Cash Position

Net cash position of Grupo SANJOSE at the end of the first half of year 2023 is **positive amounting to EUR 191.6 million (EUR 215.2 at the end of year 2022)**.

Backlog

Grupo SANJOSE's backlog, indicating the business contracted in the future by the Group, amounts to EUR 2,642 million as of 30 June 2023, the detail being as follows: Breakdown is as follows.

Millions of euros

BACKLOG by segment	Grupo SANJOSE				
	Jun.23		Dic. 22		Var.(%)
Construction	2,052	78%	1,888	76%	8.7%
Civil works	168	6%	195	8%	-13.8%
Non residential building	728	28%	531	22%	37.1%
Residential building	1,001	38%	1,010	41%	-0.9%
Industrial	155	5.9%	152	6%	2.0%
Energy	368	13%	376	15%	-2.1%
Concessions and services	222	8%	217	9%	2.3%
Maintenance	22	1%	27	1%	-18.5%
Concessions	200	8%	190	8%	5.3%
TOTAL BACKLOG	2,642	100%	2,481	100%	6.5%

Millions of euros

BACKLOG by geography	Grupo SANJOSE				
	Jun.23		Dic. 22		Var.(%)
National	2,252	85%	2,081	84%	8.2%
International	390	15%	400	16%	-2.5%
TOTAL BACKLOG	2,642		2,481		6.5%

Millions of euros

BACKLOG by client	Grupo SANJOSE				
	Jun.23		Dic. 22		Var.(%)
Public client	694	26%	577	23%	20.3%
Private client	1,948	74%	1,904	77%	2.3%
TOTAL BACKLOG	2,642		2,481		6.5%

The Construction backlog -main activity of Grupo SANJOSE- stands at EUR 2,052 million at the end of the first half of year 2023, an 8.7% higher than that recorded at the end of year 2022, representing 78% of the Group's total backlog.

2.4. Performance by sector

Construction

Accumulated income obtained in the first half of year 2023 in this line of activity amounts to EUR 570 million, experimenting a 21.7% increase with regard to the same period of the previous year.

EBITDA stands at EUR 20 million, representing a 3.5% margin with regard to turnover for the period (4% in the first half of year 2022).

Profit before tax amounted to EUR 7.1 million, an increase of 39.2% compared to the first half of the financial year 2022.

At 30 June 2023, the Group's contracted construction backlog amounted to EUR 2,052 million, recording an increase of 8.7% compared to year-end 2022.

Thousands of euros

CONSTRUCTION	Grupo SANJOSE		
	Jun.23	Jun.22	Var.(%)
Revenue	570,046	468,312	21.7%
Earnings before interest, taxes, D&A (EBITDA)	20,043	18,525	8.2%
EBITDA margin	3.5%	4.0%	
Earnings before interest and taxes (EBIT)	9,657	7,358	31.2%
EBIT margin	1.7%	1.6%	
Earnings before tax	7,082	5,089	39.2%

Breakdown of revenue of this line of activity of Grupo SANJOSE, classified by main project type and geographic area, is as follows:

Thousands of euros

DETAIL OF CONSTRUCTION REVENUES	Grupo SANJOSE					
	National		Internat.		Total	
Civil works	28,452	6.0%	9,490	9.5%	37,942	6.7%
Non residential building	209,048	44.4%	37,112	37.2%	246,160	43.2%
Residential building	216,090	45.9%	52,842	52.9%	268,932	47.2%
Industrial	17,012	3.6%	-	0.0%	17,012	2.9%
TOTAL	470,602	83%	99,444	17%	570,046	

Domestic construction revenue stands at EUR 470.6 million, with a 29.2% increase compared to the data recorded for the same period of the previous year, and accounts for 83% of the total of this line of activity.

Revenue for the construction activity at international level stands at EUR 99.4 million, representing 17% of the total.

Real estate and urban development.

Income corresponding to the Group's real estate business for the first of year 2023 comes mostly from the real estate activity that the Group has been carrying out in Peru, due to the development, sale and delivery of housing units in the "Condominio Nuevavista" residential development, in Lima Peru. Works began in 2018, and the construction of a total of 1,104 housing units, which will be distributed in 10 buildings, is scheduled.

Turnover stands at EUR 9.7 million, resulting in an EBITDA of EUR 2.6 million, representing a 27.1% margin on revenue.

Thousands of euros

REAL ESTATE AND PROPERTY DEVELOPMENT	Grupo SANJOSE		
	Jun.23	Jun.22	Var.(%)
Revenue	9,684	5,072	90.9%
Earnings before interest, taxes, D&A (EBITDA)	2,629	750	250.5%
EBITDA margin	27.1%	14.8%	
Earnings before interest and taxes (EBIT)	2,361	708	233.5%
EBIT margin	24.4%	14.0%	
Earnings before tax	1,945	240	710.4%

Energy

Group revenue for the energy business line in the first half of the financial year 2023 is EUR 8.2 million (EUR 10.4 million in the same period of 2022).

EBITDA stands at EUR 1.8 million, representing a 21.7% margin with regard to turnover for the period.

Thousands of euros

ENERGY	Grupo SANJOSE		
	Jun.23	Jun.22	Var.(%)
Revenue	8,244	10,399	-20.7%
Earnings before interest, taxes, D&A (EBITDA)	1,791	2,367	-24.3%
EBITDA margin	21.7%	22.8%	
Earnings before interest and taxes (EBIT)	1,176	1,742	-32.5%
EBIT margin	14.3%	16.8%	
Earnings before tax	1,608	1,645	-2.2%

Grupo SANJOSE has a total contract backlog for this line of activity amounting to EUR 368 million at the end of the first half of year 2023, which shall be translated as more activity of the group during a period of 25 years.

As for the backlog of this line of activity, in addition to the normal production and operation of contracts in force, the Group carries out regular reviews due to the effect of regulatory changes and the estimated occupancy and demand levels, making the necessary adjustments when appropriate.

Concessions and Services

Turnover of this line of activity for the first half of year 2023 stands at EUR 40.1 million, experiencing a 25.9% growth with respect to the figure obtained in the same period of the previous year.

EBITDA stands at EUR 1.9 million, representing a 4.6% margin with regard to revenue.

Thousands of euros

CONCESSIONS AND SERVICES	Grupo SANJOSE		
	Jun.23	Jun.22	Var.(%)
Revenue	40,051	31,823	25.9%
Earnings before interest, taxes, D&A (EBITDA)	1,857	1,829	1.5%
EBITDA margin	4.6%	5.7%	
Earnings before interest and taxes (EBIT)	93	1,608	-94.2%
EBIT margin	0.2%	5.1%	
Earnings before tax	1,552	3,991	-61.1%

At the closing of 1H-2023, contract backlog of this line of activity amounted to EUR 222 million.

2.5. Average payment term to suppliers

During the first half of 2023 no significant variations have taken place in the average payment term to suppliers.

The Group has paid its suppliers during year 2022 with an average payment period of approximately 44 days (52 days in average in 2021). 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. Invoices paid outside the maximum term are mainly due to the existence of incidents in the delivery of the product or execution of the contracted service. However, in those cases where there is a delay in payment, the financial costs are borne by the Company, as documented in the various contracts entered into with suppliers. Any timely payments to trade creditors that may exceed the legally established deadlines are generally in line with common practice in the sector and can be considered an objective reason and not abusive in accordance with Article 3 of Law 3/2004.

3. Liquidity and capital resources

Liquidity

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

Liquid assets are administered centrally within Grupo SANJOSE in order to optimise resources through "cash pooling" systems. In the event of cash surplus, short-term investments are held in safe highly liquid deposits.

During the first half of year 2023, net position has changes as follows:

Thousands of euros

NET CASH POSITION	Jun.23		Dec. 22		Var.
	Amount	%	Amount	%	
Other short term financial investments	18,912	6.2%	21,461	6.5%	-11.9%
Cash and cash equivalents	285,808	93.8%	307,005	93.5%	-6.9%
Total cash	304,720	100%	328,466	100%	-7.2%
Long term financial liabilities	99,923	88.3%	100,027	88.3%	-0.1%
Short term financial liabilities	13,187	11.7%	13,194	11.7%	-0.1%
Total debt	113,110	100%	113,221	100%	-0.1%
TOTAL NCP	191,610		215,245		-11.0%

The net cash position as at 30 June 2023 is positive in the amount of EUR 191.6 million (EUR 215.2 million at year-end 2022).

Capital resources

At 30 June 2023, no significant amendments regarding equity and debt recorded at 31 December 2022 have taken place.

Further, the Group does not expect any material change in its structure, including equity and debt, or the relative cost of capital resources during year 2023.

Future contractual obligations

The main obligations which the Group is exposed to are those deriving from financing agreements, as well as the intrinsic obligations of construction and service contracts with clients. There are no future commitments of investment or purchase of assets for significant amounts.

4. Main risks and uncertainties

The Group operates in sectors, countries and socio-economic and legal environments that involve the assumption of different levels of risk. The Company manages these risks in order to avoid involving a loss of profitability for its shareholders or cause trouble to customers by: i) identification ii) measurement; iii) control; iv) monitoring and, v) assessment of the different types of risk from an integrated and global perspective

Operational risks

Main risks arising from the Group's activity are market risks (those related to the sufficiency of demand for services and products), regulatory and political risks, labour, environmental, quality maintenance and adaptation to what is established under contractual framework with clients, etc.

In the stage of acceptance of projects, and in order to guarantee its realisation according to the established contractual parameters, with maximum quality standards, guaranteeing customer satisfaction and meeting the minimum profitability levels required, an individualised study is made of each project.

Likewise, the Group has an International Legal and Tax Department, which analyses the impact of the different regulatory frameworks on the Group's activity, the fiscal framework, etc., given its growing international presence, as a way to avoid local regulatory risks.

Financial risks

Due to its activity, the Group faces the following risks arising from payment and collection rights of business transactions:

- **Interest rate risk:** This is the main risk which the Group is exposed to as a result of the bank borrowings described in the notes to the consolidated financial statements. The Group's level of financial debt in recent years is very low and, in addition, most of the Group's financing contracts contemplate fixed interest rates, thus minimising the risk of exposure to interest rate fluctuations.
- **Foreign currency risk:** The Group's policy is to borrow in the same currency as that of the cash flows of each business. Consequently, there is currently no significant foreign currency risk. However, noteworthy in this connection are the exchange rate fluctuations arising in translating the financial statements of foreign companies whose functional currency is not the Euro. In view of the Group's geographical expansion over the last few years, exposure to foreign currency risk may arise in the future. Should this risk arise, the best solution will be analysed in order to minimise it by arranging hedges, provided such instruments conform to the Group's corporate criteria.
- **Credit risk:** risks arising from customer defaults is managed by means of the preventive assessment of the solvency rating of the Group's potential customers at the beginning of the relationship and throughout the term of the contract, evaluating the credit rating of the receivables and reviewing and segregating the estimated recoverable receivables from doubtful receivables.
- **Liquidity risk:** dealt with on Note 3 of this report herein.

5. Events after the reporting period

There are no significant events occurred after 30 June 2023 which may have impacted on this report herein.

6. Outlook

The Company has focused its activity on the construction sector and the provision of services, without neglecting real estate opportunities, related to real estate assets owned.

The main lines of action of the Group's business plan are:

- To keep the procurement level in the domestic market.
- To continue with the international activity, through a geographic diversification, and by business line:
 - o Taking advantage of the value acquired in countries where it is present (Abu Dhabi, Chile, Mexico, Peru, etc.) to increase its presence.
 - o Taking advantage of new opportunities for expansion.

In the international market, especially in emerging countries, there are business opportunities for the Group that, within its expansion policy, will try to take advantage of these growth paths. Likewise, it will continue working to consolidate its national presence even further, also relying on the prediction of a better performance in the private sector. All the above, supported by the macroeconomic prospects for improving the economy, both nationally and internationally, are positive arguments for the future of construction.

In view of the Group's total portfolio, which at 30 June amounted to EUR 2,642 million, having increased by 6.5% with respect to 31 December 2022, it is considered that its organic stability is assured, and it expects to maintain the average size of the projects, trying to take advantage of public tender opportunities, both in Spain and in foreign countries, especially in those where it has presence and expertise.

7. R&D and innovation Activities

Grupo SANJOSE, aware of the importance that represent the activities of Research, Development and Innovation for competitiveness and business success, develops and collaborates in R &D&I trying to offer innovative technical solutions that meet the demands and needs of its customers. In order to facilitate the detection of opportunities, generating innovative ideas and the development of R&D activities, a R&D Management System following the guidelines set out in the standard UNE 166002 and having obtained the AENOR recognition through certification in the following companies has been implemented:

R&D and innovation issues are widely developed in the non-financial information and diversity Report of Grupo Empresarial San José, S.A. and subsidiaries for the year ending 31 December 2022.

8. Treasury share transactions

Grupo SANJOSE did not have treasury shares at 30 June 2023 nor made any transactions with treasury shares during the first half of year 2023.

9. Other Information of Interest

Stock exchange information

The shares of Grupo SANJOSE trade on the Madrid Stock Exchange. The main indicators and the evolution of the shares are as follows:

	2023 (hasta el 21/7)	2022
Capitalización (en miles de euros)	249.050	257.503
Nº de acciones (x1000)	65.026	65.026
Precio Cierre (euros)	3,83	3,96
Último Precio (euros)	3,82	3,96
Precio Máximo (euros)	4,855	5,21
Precio Mínimo (euros)	3,61	3,23
Volumen (miles de acciones)	3.385	5.669
Efectivo (miles de euros)	14.067	23.948

Source: Bolsas y Mercado Españoles (BMEX)

Dividend policy

On 20 April 2023, the General Meeting of Shareholders of the Parent Company approved the distribution of a dividend charged to voluntary reserves for a gross amount of 0.10 euros/share, totalling EUR 6,503 thousand. At 30 June 2023, said dividend has been fully disbursed.

DIRECTORS' SIGNATURES

The Interim Condensed Consolidated Financial Statements for the six-month term ending on 30 June 2023 of "Grupo Empresarial San José, S.A. and Subsidiaries", comprising the interim condensed consolidated balance sheet at 30 June 2023, the interim condensed consolidated income statement, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of global profit and the interim condensed consolidated cash flow statement, as well as Notes to the same, for the six-month term ending on 30 June 2023, and the accompanying Interim Consolidated Directors' Report, issued on 53 sheets of regular paper on one side only, have been prepared by the Board of Directors of "Grupo Empresarial San José, S.A." on 27 July 2023.

For the purposes of R.D. 1362/2007 on 19 October (Article 8.1.b and Article 10), the undersigned Directors of "Grupo Empresarial San Jose, S.A." hereby make the following statement of liability:

That, to the best of their knowledge, the interim condensed consolidated financial statements prepared in accordance with applicable accounting standards provide a true and fair view of the equity, the financial position and the outcome of the issuer and its consolidated companies taken as a whole and that the Directors' Report includes an accurate analysis of business development and its outcome, the position of the issuer and the companies included within its consolidation scope taken as a whole, together with a description of the main risks and uncertainties which they face.

In proof of their agreement, the Directors attending the meeting 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 Alderei

Mr. José Luis González Rodríguez

Ms. María José Alonso Fernández

At the request of the President, today's board of directors meeting was held electronically, via videoconference.

The meeting was attended by all the directors except for Mr. Nasser Homaid Salem Ali Alderei, who has not expressed any discrepancy regarding the formulation of the financial information.

According to the minutes of the meeting, and in accordance with article 109 a) of the Commercial Registry Regulations, I hereby record that all directors have unanimously approved the preparation of these interim condensed consolidated financial statements and explanatory notes, as well as the accompanying interim consolidated management report, for the first half of year 2023.

Fernando Calbacho
Deputy Secretary to the Board of Directors

CERTIFICATION

CERTIFICACIÓN

I, Estefanía Calvo Iglesias, English Sworn Translator, certified by the Spanish Ministry of Foreign Affairs,

do hereby certify

that the preceding is a true and faithful English translation, on the essentials, of a document issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

In Madrid, on the twenty-seventh of July, two thousand and twenty-three.

Yo, Estefanía Calvo Iglesias, Traductora e Intérprete Jurada de inglés por el Ministerio de Asuntos Exteriores del Gobierno de España,

certifico que

la que precede es traducción fiel y completa al inglés de un documento redactado en español. En caso de discrepancia, el documento original redactado en español prevalece.

Madrid, a veintisiete de julio de dos mil veintitrés.

Estefanía Calvo Iglesias