



— SUMMARY REPORT —
YEAR 2018

*Translation into English of the Summary Report for 2018 originally issued in Spanish.
In the event of discrepancy, the Spanish language version prevails.
Inhouse translation, under its sole responsibility and not deemed official.*



INDEX:

1. Main accomplishments
2. Consolidated figures
3. Analysis by activity
4. Financial Statements
5. Contract Backlog
6. Legal disclaimer
7. Contact Information

1. MAIN ACCOMPLISHMENTS DURING THE PERIOD

MAIN WORK AWARDS

Main work awards for year 2018 are as follows:

- **IDR Family Hotel on Yas Island, Abu Dhabi (United Arab Emirates):**

Miral Asset Management LLC, a company dependent on the Government of Abu Dhabi, responsible for the construction of value for visitors in the Emirate, is the developer of IDR (Integrated Destination Resort) a 5* Hotel - Resort, including three leisure and restoration areas and sundry works associated with the integration of the same into the Island of Yas.

The construction project, awarded to SANJOSE Constructora in joint Venture with Fibrex LLC, covers approximately 190,000 m² of built surface and the development of another 45,000 m². Among other works, the project includes a 5* Hotel - Resort 5 with 546 rooms and 83,000 m² of built surface that will be operated by the Hilton chain; three different leisure and food areas of more than 27,500 m² including cinemas and 43 commercial premises; three underground car parks totalling 76,500 m² of built surface and 1,518 car spaces; and the development of 45,000 m² in the surroundings of the hotel, including also a promenade.

- **4* H10 Hotel in Benidorm, Alicante:**

Bocaina Project has awarded SANJOSE Constructora the construction works of the new 4* H10 Hotel in Benidorm, Alicante.

A modern hotel located on the first line of the Poniente beach in Benidorm, facing the Parque de Elche, with 174 rooms and 15,814 m² of constructed area, distributed in 8 floors above ground and 2 underground.

- **4* Pestana Hotel at Rua das Flores in Porto (Portugal)**

SALVOR - Sociedade Investimentos Hoteleiros has awarded to SANJOSE Constructora Portugal the execution works of the 4 star Hotel Pestana in Rua Flores 84-102 of Porto.

The project contemplates the rehabilitation of a building in an advanced state of degradation located in the historic centre of the city and its adaptation to its new hotel use, with a total of 87 rooms and 4,045 m² of constructed area.

- **4* Zenit Hotel in San Sebastian:**

Hotel Zenit Palacio Amara has awarded SANJOSE Constructora the construction of a new 4-star hotel, with a total of 81 rooms and a built surface amounting to more than 4,500 m², distributed into 9 floors, located in the former convent of the Siervas de María of Guipuzcoan.

The project includes the maintenance and refurbishment of both, the existing façade and a chapel located inside.

▪ **4* Hotel Sentido Benálmadena Beach in Málaga:**

SCI Madison has awarded Cartuja the comprehensive reform of the Hotel Villasol 3 stars and its transformation into a four-star hotel, which will be renamed Hotel Sentido Benalmádena Beach.

▪ **5* Son Brull Hotel & SPA at Pollença, Mallorca:**

Hoteles Suau has awarded SANJOSE Constructora the extension works of the Son Brull Hotel & Spa. A 17th-century Jesuit monastery in Mallorca converted into a 5-star luxury hotel and member of the select Relais & Châteaux group since 2004.

The project includes mainly the construction of 4 new villas - suites, with which the hotel will go from 46 to 62 seats, and the expansion of the SPA area.

▪ **Castillo Hotel Son Vida Luxury Collection 5 stars in Palma de Mallorca:**

Vibelba has awarded SANJOSE Constructora the extension works of the Son Vida Luxury Collection 5* Castle Hotel in Palma de Mallorca.

The complex has a majestic castle built in the 13th century located on the top of Palma de Mallorca, overlooking the bay and surrounded by green areas. It currently has 164 rooms and, once completed the expansion works, it will cover 14,800 m² of built surface and have 16 new independent luxury villas.

▪ **Dos Ferrazes Palace hotel, Porto (Portugal):**

Distinctability Lda. has awarded to SANJOSE Constructora Portugal the Phase II (finishes and special installations) of the works of execution of the "Hotel Palácio dos Ferrazes" of Oporto. SANJOSE also executed Phase I, which consisted of demolition, excavation, containment and structure works.

▪ **Pestana Douro Hotel in Gondomar, Porto (Portugal):**

Carlton Palácio - Sociedade de Construção e Exploração Hoteleira has awarded SANJOSE Constructora Portugal the execution works of the new "Pestana Douro Hotel".

Located on the banks of the Douro River in Gondomar, Oporto, the new hotel, with 165 rooms, will be the result of the refurbishment, enhancement and conditioning for its new use of a former soap factory in this Portuguese city.

▪ **San José Hospital in Melipilla (Chile):**

The Western Metropolitan Health Service, an entity dependent on the Ministry of Health of Chile, has awarded SANJOSE Constructora the construction works for the San José de Melipilla Hospital.

The new hospital complex will have a built surface amounting to 60,834 m², 239 beds, 7 surgery pavilions and 350 parking spaces. This new health infrastructure will have a size six times greater than the current one, being able to serve more than 250,000 users.

▪ **San José Hospital in Casa Blanca (Chile):**

SANJOSE Constructora has been awarded a contract by the Health Service of Valparaíso-San Antonio, an entity dependent on the Ministry of Health of Chile, for the construction and commissioning of the San José de Casablanca Hospital.

Upon its completion, the hospital complex, that will have 9,075 m² of built surface arranged into four buildings, will give service to more than 30,000 users.

▪ **Rehabilitation of two hospitals in Mexico**

The Mexican Institute of Social Security (IMSS) has awarded SANJOSE Constructora the rehabilitation of two hospitals that suffered serious damage after the earthquakes that hit the country in 2017: the General Hospital of Zone No. 5 in Zacatepec (State of Morelos) and the General Hospital of Zone No. 5 in Atlixco - Metepec (State of Puebla).

▪ **General Emergency Service of the São Teotónio de Viseu Hospital (Portugal):**

The Hospital Centre Tondela - Viseu EPE awarded SANJOSE Constructora Portugal the remodeling works of the General Emergency Service of the São Teotónio de Viseu Hospital.

▪ **Shopping and Leisure Centre "Vialia" in Vigo:**

Urban Player Spain has awarded SANJOSE Constructora various works of execution of the Vialia shopping center, located in the Railway Station of Vigo - Urzáiz. The new center will have 93,634 m² of constructed area, with 130 premises (35,000 m² of commercial space) and 1,200 parking spaces.

▪ **Shopping and Leisure Centre "Mogan Mall" in Gran Canaria:**

Comunidad de Bienes Mogán Mall has awarded SANJOSE Constructora the execution of the Shopping and Leisure Centre "Mogan Mall in Gran Canaria. The project consists of the demolition of an existing water park on the plot of more than 37,000 m², and the construction of a new space of more than 44,000 m². Highlights its central square, a supermarket of 800 m² and a free-standing area with direct access from vehicles.

▪ **Wind Farms in Teruel:**

Enel Green Power España has awarded SANJOSE Constructora the execution of the civil works, supply and installation of meteorological towers and installation of cable of 5 wind farms in the province of Teruel that add a total installed power of 176.4 MW.

▪ **Construction and improvement of the Checca-Mazocruz highway in Peru:**

Provias Nacional has awarded SANJOSE Constructora the "Improvement of the Checca - Mazocruz Highway" works in the Province of El Collao (Puno region). It is an infrastructure of 73 kilometres in length, where highlights the construction of four viaducts, that will be developed at an altitude close to 4,000 metres. It is considered of essential importance for the economic revitalization of area.

▪ **Tunnel of Folledo of the AVE Madrid - Asturias:**

Adif Alta Velocidad has awarded SANJOSE Constructora in JV with Ferpi Transportes y Obras the execution project of the tunnel of Folledo gallery at the stretch La Robla - Pola de Lena (Pajares relief road) of the Madrid - Asturias High Speed Railway Line. This tunnel is one of the underground works integrated into the Pajares tunnels of the new León - Asturias high speed railway line.

▪ **Fontan Building of the City of Culture of Galicia, Santiago de Compostela:**

The Cidade da Cultura de Galicia Foundation has awarded SANJOSE Constructora, in UTE with Acciona, the works of execution and exterior urbanization of the Fontán Building,

The building, of approximately 20,000 m² of built surface area, will house transversal services for the three Galician universities and the European Center for Landscape Research, which will function as a permanent observatory of the Camino de Santiago.

▪ **City of Justice of Vigo:**

The Xunta de Galicia has awarded SANJOSE Constructora the works of execution of the new City of Justice of Vigo designed by the architect Alfonso Penela.

The project consists in the adaptation of the former Hospital Xeral Cíes of Vigo as the future City of Justice, affecting mainly the Main Body, Plaza and Annex Building. The adaptation of the complex to its new use includes a built surface amounting to 35,588 m² and the development of 1,157 m².

▪ **Administrative Complex of San Caetano - Headquarters of the Xunta de Galicia, Santiago de Compostela:**

The Xunta de Galicia has awarded SANJOSE Constructora the restoration and improvement of the thermal cladding of the buildings of the Administrative Complex of San Caetano. This work, which will be co-financed by the European Regional Development Fund (ERDF), is the largest refurbishment work developed at the building since it became the administrative headquarters of the Xunta de Galicia in 1984.

▪ **Student residence in Esplugues de Llobregat, Barcelona:**

Tedgar Invest has awarded SANJOSE Constructora the architectural works and installations of a student residence of 372 rooms and 7 built floors (12,643 m²) on the roof of the Finestrelles shopping center in Esplugues de Llobregat, Barcelona.

▪ **Assembly hall A1 of the Airbus factory in Getafe, Madrid:**

Airbus Operations has awarded SANJOSE Constructora the engineering and construction services for the expansion works of the assembly hall A1 of the Airbus Factory in Getafe, Madrid.

▪ **More than 1,500 homes in Spain:**

During the year 2018, Grupo SANJOSE has been awarded residential building projects, both public and private, of more than 250,000 square meters of constructed area that will house more than 1,500 homes distributed in more than 30 projects throughout the Spanish geography.

AWARDS & RECOGNITIONS

▪ **Position 137 in the ranking of most international ENR construction companies:**

The American magazine ENR (Engineering News-Record) responsible for elaborating on an annual bases a worldwide ranking of engineering and construction companies based on the level of international turnover, has placed Grupo SANJOSE in position 137 under "ENR Top 250 International Contractors", improving in 18 positions from its former position at raking 155 for the previous year.

▪ **SANJOSE among the 100 largest global construction companies according to Deloitte:**

According to a study carried out by Deloitte "Global Powers of Construction", which analyses the construction industry and examines the strategies of the leading companies in the sector worldwide, a ranking of the 100 largest construction companies worldwide has been draft.

▪ **Awards to the Sustainable Construction of InduVA Aulario Tower of the University of Valladolid:**

The InduVA Aulario Tower for the School of Industrial Engineering of the University of Valladolid has been awarded with the Grand Prize for Sustainable Construction in the international contest run by the Construction21 network "Green Solutions Awards 2018" that highlight buildings, districts and exemplary infrastructure that contribute to the struggle against climate change.

Likewise, this project has also received the award in the category of Equipment in the Sustainable Construction Awards of Castilla y León 2018.

▪ **Awards to the refurbishment works at the building located at 37, Avenida da República 37 in Lisbon (Portugal):**

Urban Refurbishment 2018 awards in Portugal have made this project, carried out by SANJOSE Constructora Portugal, the winner of its sixth edition, after having been granted three awards:

- Award to the Best Residential Building,
- Award to the Best Intervention in Lisbon, and;
- Award to the Best Structural Refurbishment Intervention.

▪ **The Louvre Abu Dhabi Museum is granted new awards at the MEED Project Awards 2018, as well as the LEED Silver certification:**

The Abu Dhabi Louvre Museum, designed by Jean Nouvel and built by SANJOSE Constructora Abu Dhabi, was granted at the MEED 2018 Awards ceremony in Dubai three important awards:

- UAE National Winner 2018 (National Award of the United Arab Emirates 2018),
- Leisure and Tourism Project of the Year (Leisure and Tourism Project of the Year), and;
- MEED Quality Project of the Year (MEED Quality Project of the Year).

Likewise, the Louvre Museum in Abu Dhabi has received the LEED Silver energy certification (Leadership in Energy and Environmental Design), an internationally recognised building certification tool accredited by the North American organisation USGBC.

OTHER MILESTONES:

▪ **The Prime Minister of India has inaugurated the road between Raebareli and Banda:**

The "Expansion and improvement of the two-lane road section between the towns of Raebareli and Banda (National Highway NH-232)" project, in the State of Uttar Pradesh, executed by SANJOSE Constructora India, was officially inaugurated on 16 December by the Prime Minister of India, the Honourable Mr. Narendra Modi.

This project is considered one of the most prestigious and important projects of the "National Highways Authority of India". Its total length is 133 kilometres and it is executed entirely by flexible pavement. The works included the construction of 12 bridges and 2 viaducts executed in metallic structure on each railroad line. Special attention should also be paid to the completion of 2 complete circuits in the towns of Fatehpur and Lalganj. The highway crosses two of the main rivers of India: Ganga and Yamuna.

▪ **Opening of the Norvento Headquarters in Lugo:**

On 19 March took place the inauguration of the new Norvento Headquarters in Lugo. The event was attended, in addition to the Chairman and founder of Norvento, Mr. Pablo Fernández Castro, by the President of the Xunta, Mr. Alberto Núñez Feijóo, the European Commissioner of Action for Climate, Miguel Arias Cañete, and various local authorities and executives of Norvento and Grupo SANJOSE.

The new headquarters of the renewable energy company, designed by Francisco Mangado and built by SANJOSE Constructora, is composed of two buildings with a total built surface amounting to 4,644 sqm, and has been declared one of the most sustainable buildings in Europe, completely independent in terms of electrical consumption, not being connected to the grid.

This project has received several awards and recognitions among which stand out:

- Exceptional BREEAM rating (second building in Spain to receive it);
- American Architecture Prize 2017, in the Architecture and Design / Other Architectures category;
- Premio Barcelona Building Construmat: finalist and mention of the jury in the category of architecture in works built in 2017;
- Silver Medal in the XII Edition of the International Prize of Sustainable Architecture FASSA BARTOLO 2017, promoted by the Facoltà di Architettura of the Università degli Studi di Ferrara.

▪ **Inauguration of the headquarters of RC Celta de Vigo**

The RC Celta de Vigo inaugurated its new headquarters on 17 March in the emblematic building of the Príncipe street in the city, attended by distinguished personalities from the Xunta de Galicia, including its Chairman, Mr. Alberto Núñez Feijoo, and the Secretary General of Sports, Mrs. Marta Míguez, as well as the Chairman of SANJOSE Constructora and the Vice President of Grupo SANJOSE Group, Mr. Jacinto Rey Laredo.

The building was formerly the headquarters of the Commercial and Industrial Circle of Vigo, which was inaugurated on 28 September 1927 by King Alfonso XIII and Queen Victoria Eugenia.

Its refurbishment has been carried out by SANJOSE Constructora under the project of the prestigious architect Alfonso Penela.

- **Prime Minister of Malta inaugurates a bridge in Malta:**

The Prime Minister of Malta, Mr. Joseph Muscat, inaugurated the crossing on the EA15 node in Kappara on 5 February, a key infrastructure to reduce traffic flow in one of the busiest areas of Malta.

Construction works have been carried out by SANJOSE Constructora in joint venture with local companies. A 193 metres-long bridge and two lanes in each direction stands out, being the first steel and concrete bridge built in the country.

At the opening of this project funded by the European Union, the Prime Minister praised all those involved in the project, highlighting the "high level" of the works carried out.

2. MAIN CONSOLIDATED FIGURES

Main consolidated figures of Grupo SANJOSE for year 2018, having recorded an EUR 18.2 million profit, versus the EUR 12.3 million in the same period of previous year, are as follows.

Thousands of euros

	Grupo SANJOSE		
	Dic. 18	Dic. 17	Var.(%)
Revenue	758,423	682,868	11.1%
Operating cash flow (EBITDA)	51,680	46,259	11.7%
	EBITDA margin	6.8%	6.8%
Ordinary operating profit (EBIT)	41,031	31,063	32.1%
	EBIT margin	5.4%	4.5%
Earnings before tax	26,996	22,395	20.5%
Income tax	-8,828	-10,127	-12.8%
Profit/(Loss) for the period	18,168	12,268	48.1%

To be highlighted:

- **11.1% revenue increase for the period, recording a EUR 758.4 million turnover, with an EBITDA of EUR 51.7 million.**
- **EBIT stands at EUR 41.0 million.**
- **Profit before tax amounts to EUR 27.0 million.**
- **Net profit for the period stands at EUR 18.2 million, 48.1% higher than that recorded in the previous year.**

Revenue

The net amount of the revenues of Grupo SANJOSE for year 2018 rises to 758.4 million euros, which supposes an increase of 11.1% over the previous year.

The main activity of Grupo SANJOSE is Construction, which represents 89% of the total revenues for the period, and 70% of the total backlog of the Group at the end of 2018. Revenue from this line of activity in 2018 it stood at 676.0 million euros, experiencing an increase of 12.5% with respect to the figure obtained in the previous year.

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

Thousands of euros

Revenues by activity	Grupo SANJOSE				
	Dic. 18		Dic. 17		Var.(%)
Construction	675,961	89.1%	600,994	87.9%	
Real estate and property development	3,761	0.5%	6,769	10%	-44.4%
Energy	9,711	1.3%	11,165	16%	-13.0%
Concessions and services	50,875	6.7%	47,740	7.0%	6.6%
Adjustment and other	18,115	2.4%	16,200	2.4%	
TOTAL	758,423		682,868		11.1%

As it has been happening in recent years, turnover from international markets shows great strength and remains of great importance for Grupo SANJOSE. In 2018, it contributed 51% of the Group's total turnover, maintaining the same volume as in the previous year 2017.

Likewise, there is an important growth in the domestic market turnover, experiencing a 25.4% increase with respect to year 2017.

Thousands of euros

Revenues by geography	Grupo SANJOSE				
	Dic. 18		Dic. 17		Var.(%)
National	372,893	49%	297,444	44%	
International	385,530	51%	385,424	56%	0.0%
TOTAL	758,423		682,868		11.1%

Profit:

The operating profit (EBITDA) of Grupo SANJOSE for year 2018 amounts to 51.7 million euros, representing a margin of 6.8% over the net amount of the turnover.

EBITDA from the Construction activity, recorded in year 2018 36.7 million euros, representing 71% of the Group's EBITDA.

It should also be noted the good evolution experienced in the lines of Concessions and Services activity, where at 2018 year-end an increase in EBITDA of 42.3%, is evident.

Breakdown of EBITDA by sector for 2018 is as follows:

Thousands of euros

EBITDA by activity	Grupo SANJOSE				
	Dic. 18		Dic. 17		Var.(%)
Construction	36,695	71%	32,695	70.8%	
Real estate and property development	27	0.1%	1,784	3.9%	-98.5%
Energy	2,705	5.2%	3,576	7.7%	-24.3%
Concessions and services	2,297	4.4%	1,614	3.4%	42.3%
Adjustment and other	9,956	19.3%	6,590	14.2%	51.1%
TOTAL	51,680		46,259		11.7%

The net operating profit (EBIT) of Grupo SANJOSE for year 2017 amounts to 34.0 million euros, representing a margin of 5.4% over the net amount of the turnover and recording a 32.1% increase with regards to the previous year.

The Profit after tax of Grupo SANJOSE at the end of 2018 amounts to 18.2 million euros, which is a positive result that grows 48.1% with that recorded the previous year.

3. ANALISYS BY SECTOR

3.1 Construction

The construction line of activity has generated revenue for EUR 676.0 million, representing a 12.5% increase compared to the previous year.

EBITDA for 2018 stands at EUR 36.7 million, representing a 5.4% margin on sales.

The net operating profit reached EUR 27.3 million, achieving a 17.8% increase with respect to that obtained in 2017.

Likewise, profit before tax grew 113.0% with respect to the previous year and stood at EUR 28.7 million.

At the end of 2018, project backlog for this line of activity amounts to EUR 1.334 million versus the EUR 916 million at 2017 year-end (45.7% improvement).

Thousands of euros

CONSTRUCTION	Grupo SANJOSE		
	Dic. 18	Dic. 17	Var.(%)
Revenue	675,961	600,994	12.5%
Earnings before interest, taxes, D&A (EBITDA)	36,695	32,695	12.2%
EBITDA margin	5.4%	5.4%	
Earnings before interest and taxes (EBIT)	27,296	23,179	17.8%
EBIT margin	4.0%	3.9%	
Earnings before tax	28,703	13,474	113.0%

Revenue breakdown for this line of activity of Grupo SANJOSE, taking into consideration the main types of business, as well as the geographical distribution, is as follows:

Thousands of euros

DETAIL OF CONSTRUCTION REVENUES	National		Internac.		Total	
Civil works	26,007	8.1%	33,613	9.4%	59,620	8.8%
Non residential building	196,665	61.4%	221,380	62.1%	418,045	61.8%
Residential building	85,681	26.8%	100,055	27.9%	185,735	27.5%
Industrial	10,601	3.3%	80	0.0%	10,682	1.6%
Others	1,271	0.4%	606	0.2%	1,877	0.3%
TOTAL	320,227	47%	355,734	53%	675,961	

Construction revenue at international level for 2018 stands at EUR 355.7 million, recording a slight increase compared to the same period of the previous year, and representing 53% total revenue of this line of activity.

On the other hand, sales at domestic market stood at EUR 320.2 million compared to EUR 245.8 million for year 2017, recording a 30.3% increase. Domestic sales represent 47% total sales of this line of activity.

3.2 Real estate

The main Real Estate activity carried out by the Group during the year 2018 was the one corresponding to the "Condominio Nuevavista" promotion in Lima, Peru. During 2018, the Group has begun the construction work, which includes the construction of a total of 1,104 homes distributed in 10 buildings.

Stages I and II of the aforementioned development are currently underway, stage I has reached a commercialisation level of 92%, and commercialisation of stage II has been very well welcomed.

Stage I is expected to be delivered during the year 2019, allowing Grupo SANJOSE to progressively recover the turnover and EBITDA figures obtained in previous periods for this line of activity.

Turnover for year 2018 for the Real Estate business of Grupo SANJOSE stands at EUR 3.8 million.

Thousands of euros

REAL ESTATE AND PROPERTY DEVELOPMENT	Grupo SANJOSE		
	Dic. 18	Dic. 17	Var.(%)
Revenue	3,761	6,769	-44.4%
Earnings before interest, taxes, D&A (EBITDA)	27	1,784	-98.5%
EBITDA margin	0.7%	26.4%	
Earnings before interest and taxes (EBIT)	-633	1,418	-144.6%
EBIT margin	-16.8%	21.0%	
Earnings before tax	-6,311	3,217	-296.2%

3.3 Energy

Revenue for this line of activity in year 2018 stands at EUR 9.7 million.

EBITDA corresponding to year 2018 of this line of activity amounts to EUR 2.7 million.

Thousands of euros

ENERGY	Grupo SANJOSE		
	Dic. 18	Dic. 17	Var.(%)
Revenue	9,711	11,165	-13.0%
Earnings before interest, taxes, D&A (EBITDA)	2,705	3,576	-24.3%
EBITDA margin	27.9%	32.0%	
Earnings before interest and taxes (EBIT)	1,446	1,924	-24.9%
EBIT margin	14.9%	17.2%	
Earnings before tax	914	1,434	-36.3%

EBITDA percentage on sales of this business activity corresponding to 2018 stands at 27.9%.

The reduction of the backlog with respect to the one existing at the end of 2016 is derived mainly from the normal production and exploitation of contracts in force maintained by Grupo SANJOSE, as well as by the periodic review carried out by the Group due to the effect of the regulatory and financial modifications, the estimated demand and occupation levels.

Grupo SANJOSE has in this line of activity, at 2018 year-end, a contracted backlog amounting to EUR 395 million, that will be materialised as greater activity for a period of approximately 25 years.

3.4 Concessions & Services

Revenue for year 2018 stands at EUR 50.9 million, resulting in an increase of 6.6% with respect to the revenue for year 2017.

EBITDA increased by 42.3% with respect to the previous year, which stood at EUR 2.3 million, representing a margin of 4.5% on sales (3.4% in year 2017).

The net operating result (EBIT) experienced a 90.3% increase and reached EUR 1.6 million for the year. Likewise, profit before tax for year 2018 amounted to EUR 5.9 million.

Thousands of euros

CONCESSIONS AND SERVICES	Grupo SANJOSE		
	Dic. 18	Dic. 17	Var.(%)
Revenue	50,875	47,740	6.6%
Earnings before interest, taxes, D&A (EBITDA)	2,297	1,614	42.3%
EBITDA margin	4.5%	3.4%	
Earnings before interest and taxes (EBIT)	1,576	828	90.3%
EBIT margin	3.1%	1.7%	
Earnings before tax	5,936	8,735	-32.0%

At the end of 2018, contracted backlog of the Group for this line of activity amounts to EUR 187 million.

4. FINANCIAL STATEMENTS

Consolidated Management Income Statement

Thousands of euros

	Grupo SANJOSE				Variac.
	Dic. 18		Dic. 17		
	Amount	%	Amount	%	
Revenue	758,423	100.0%	682,868	100.0%	11.1%
Other operating income	11,816	1.6%	9,382	1.4%	25.9%
Change in inventories	1,933	0.3%	-2,235	-0.3%	--
Procurements	-507,779	-67.0%	-462,034	-67.7%	9.9%
Staff costs	-116,801	-15.4%	-103,034	-15.1%	13.4%
Other operating expenses	-95,912	-12.6%	-78,688	-11.5%	21.9%
EBITDA	51,680	6.8%	46,259	6.8%	11.7%
Amortisation charge	-5,040	-0.7%	-6,762	-1.0%	-25.5%
Impairment on inventories	-258	0.0%	-2,078	-0.3%	-87.6%
Changes in trade provisions and other impairment	-5,351	-0.7%	-6,357	-0.9%	-15.8%
EBIT	41,031	5.4%	31,063	4.5%	32.1%
Ordinary financial results	-8,766	-1.2%	-6,158	-0.9%	42.4%
Foreign exchange results and others	-5,357	-0.7%	-2,328	-0.3%	130.1%
NET FINANCIAL RESULT	-14,123	-1.9%	-8,459	-1.2%	67.0%
Results on equity method	88	0.0%	-210	0.0%	--
PROFIT BEFORE TAX	26,996	3.6%	22,395	3.3%	20.5%
Income tax	-8,828	-1.2%	-10,127	-1.5%	-12.8%
CONSOLIDATED PROFIT	18,168	2.4%	12,268	1.8%	48.1%

- **Procurement and personnel expenses:** the increase during 2018 for these items is consistent with the increase in activity (turnover) in the Group in 2018.
- **Profit/(loss) before tax:** a EUR 27.0 million profit is recorded, compared to EUR 22.4 million in the previous year, representing an improvement of 20.6%.
- **Profit/(loss) for the year:** the profit for the year amounts to EUR 18.2 million (EUR 12.3 million in year 2017), representing a 48.1% increase.
- **Adjustment for inflation in hyper-inflationary economies:** as a result of the Argentinean economy being qualified as "hyper-inflationary" during year 2018, the Group recorded a loss for a total amount of EUR 8,157 thousand. Without taking into account this effect, profit for year 2018 would be EUR 26,325 thousand.

Consolidated Management Balance Sheet

Thousands of euros

	Dic. 18		Dic. 17		Var.
	Amount	%	Amount	%	
Intangible assets	18,079	1.8%	19,581	2.0%	-7.7%
Property, plant and equipment	71,033	7.1%	45,349	4.7%	56.6%
Real state investments	10,731	1.1%	3,297	0.3%	225.5%
Investments accounted for using the equity method	40,422	4.1%	50,373	5.2%	-19.8%
Long term financial investments	87,738	8.8%	123,481	12.7%	-28.9%
Deferred taxes assets	36,558	3.7%	35,135	3.6%	4.1%
Goodwill on consolidation	9,984	1.0%	9,984	1.0%	0.0%
TOTAL NON-CURRENT ASSETS	274,545	27.6%	287,200	29.8%	-4.4%
Inventories	114,885	11.5%	104,704	10.9%	9.7%
Trade and other receivables	259,865	26.1%	258,412	26.8%	0.6%
Other short term financial investments	58,166	5.8%	91,206	9.5%	-36.2%
Short-term accruals	4,902	0.5%	2,720	0.3%	80.2%
Cash and cash equivalents	283,434	28.5%	220,134	22.8%	28.8%
TOTAL CURRENT ASSETS	721,252	72.4%	677,176	70.2%	6.5%
TOTAL ASSETS	995,797	100.0%	964,376	100.0%	3.3%

Thousands of euros

	Dic. 18		Dic. 17		Var.
	Amount	%	Amount	%	
Equity attributable to shareholders of the parent	80,996	8.1%	58,645	6.1%	38.1%
Minority interest	24,262	2.4%	20,866	2.1%	16.3%
TOTAL EQUITY (*)	105,258	10.6%	79,511	8.2%	32.4%
Long term provisions	40,121	4.0%	30,313	3.1%	32.4%
Long term financial liabilities	252,084	25.2%	311,625	32.3%	-19.1%
Long term derivative financial contracts	351	0.0%	591	0.1%	-40.7%
Deferred taxes liabilities	25,635	2.6%	19,541	2.0%	31.2%
Long-term accruals	865	0.1%	904	0.1%	-4.3%
TOTAL NON CURRENT LIABILITIES	319,056	32.0%	362,974	37.6%	-12.1%
Short term provisions	31,227	3.1%	37,895	3.9%	-17.6%
Short term financial liabilities	65,759	6.6%	65,828	6.8%	-0.1%
Trade accounts and other current payables	474,497	47.6%	418,168	43.5%	13.5%
TOTAL CURRENT LIABILITIES	571,483	57.4%	521,891	54.2%	9.5%
TOTAL EQUITY & LIABILITIES	995,797	100.0%	964,376	100.0%	3.3%

(*) **Management Net Equity**: EUR 111.4 million have been recorded under this item as shareholder loan of Grupo Empresarial San José, S.A.

Consolidated Net Cash Position

Thousands of euros

NET CASH POSITION	Dic. 18		Dic. 17		Var.
	Amount	%	Amount	%	
Other short term financial investments	58,166	17.0%	91,206	29.3%	-36.2%
Cash and cash equivalents	283,434	83.0%	220,134	70.7%	28.8%
Total cash	341,600	100%	311,340	100%	9.7%
Long term financial liabilities ⁽¹⁾	252,084	79.2%	311,625	82.4%	-19.1%
Long term derivative financial contracts	351	0.1%	591	0.2%	-40.7%
Short term financial liabilities	65,759	20.7%	65,828	17.4%	-0.1%
Total debt	318,194	100%	378,044	100%	-15.8%
TOTAL NCP	23,406		-66,704		--

The net cash position at 2018 year-end is a positive cash amounting to EUR 23.4 million, compared to the EUR 66.7 million net financial debt at the end of 2017, representing a significant improvement in the net cash position, having increased by more than EUR 90 million during the year.

This is possible, due to a combined effect of a 9.7% improvement of assets and a 15.8% reduction of liabilities, mainly due to the periodic maturity and annual amortisation of the bond issue that finances the two hospitals in Chile, as well as for the amortizations of the syndicated debt in Spain, according to the established schedules.

Net cash position at 31 December 2018 includes the funding of other non-recourse projects of Grupo SANJOSE for EUR 105.9 million.

Consolidated Cash Flow Statement

Thousands of Euros		
CASH FLOW	Grupo SANJOSE	
	Dic. 18	Dic. 17
Cash flow from operating activities	56,552	49,874
Working capital	41,290	-18,154
Others adjustments	-12,467	-8,206
Operating cash flow	85,375	23,512
Divestments / (Investments)	-6,236	-1,867
Others adjustments	56,533	36,200
Investment cash flow	50,297	34,333
Free cash flow	135,672	57,845
Capital flow & Minorities	-261	-1,030
Increase / (Decrease) in borrowings	-63,215	-67,565
Net interest	-7,180	-6,410
Others adjustments	-1	-14,544
Financing cash flow	-70,657	-89,550
Diferences due to changes in exchange rates	-1,715	0
Total cash flow	63,300	-31,705

In year 2018, the resources generated by operations amounted to 56.6 million euros.

There was a significant improvement in net operating cash flow, which increased from 23.5 million euros in 2017 to 85.4 million euros in 2018.

The decrease in financial indebtedness should be noted: a reduction of EUR 63.2 million and EUR 67.6 million in 2018 and 2017, respectively.

5. PROJECT BACKLOG

Millions of euros

BACKLOG by segment	Grupo SANJOSE				
	Dic. 18		Dic. 17		Var.(%)
Construction	1,334	70%	916	57%	45.7%
Civil works	169	8.8%	177	10.9%	-4.5%
Non residential building	829	43.2%	537	33.1%	54.3%
Residential building	331	17.3%	195	12.0%	70.3%
Industrial	5	0.2%	8	0.7%	-40.3%
Energy	395	21%	496	30%	-20.4%
Concessions and services	187	10%	218	13%	-14.1%
Maintenance	18	0.9%	19	1%	-7.9%
Concessions	169	8.5%	200	12%	-15.2%
TOTAL BACKLOG	1,916	100%	1,630	100%	17.6%

Millions of euros

BACKLOG by geography	Grupo SANJOSE				
	Dic. 18		Dic. 17		Var.(%)
National	1,098	57%	909	56%	20.8%
International	818	43%	721	44%	13.4%
TOTAL BACKLOG	1,916		1,630		17.6%

Millions of euros

BACKLOG by client	Grupo SANJOSE				
	Dic. 18		Dic. 17		Var.(%)
Public client	820	43%	916	56%	-10.5%
Private client	1,097	57%	714	44%	53.6%
TOTAL BACKLOG	1,916		1,630		17.6%

At 31 December 2018, the Group's total backlog amounted to EUR 1,916 million, showing a growth of 17.6% with respect to that obtained at the end of 2017.

This increase in the backlog compared to 2017 year-end is shown both in the domestic market, where the Group's contracting grew by 20.8%, and in the international market, where growth was 13.4%.

Similarly, there is a shift in contracts towards private customers versus public customers, as has been shown in recent quarters.

The Construction backlog, main activity of the Group, represents 70% of the total backlog.

6. LEGAL DISCLAIMER

The present document contains financial information prepared in accordance to International Financial Reporting Standards (IFRS).

Neither the company, nor its advisers nor its representatives, assume responsibility of any kind, due to negligence or any other concept, with respect to damages or losses arising as a result of any use of this document or its contents.

The present document does not represent an offer or an invitation to purchase or subscribe for any share of stock, in accordance with the provisions of Law 24/1998, dated July 28, of the Securities Markets, in the Royal Decree-Law 5/2005, dated March 11th and/or in the Royal Decree 1310/2005, dated November 4th, and its regulations.

This document does not represent either an offer to buy, sell or exchange, or a request to buy, sell or exchange any securities, or a request for voting or approval in any jurisdiction.

This document or any part of it does not constitute a contract, nor can it be used to supplement or interpret any contract or any other commitment.

7. CONTACT INFORMATION

General Manager of Finance and Administration – **Grupo SANJOSE**

Mailing Address: Ronda de Poniente, 11 – 28760 Tres Cantos – Madrid.

Website: www.grupo-sanjose.com

E-mail: accionistas@gruposanjose.biz

ir@gruposansjose.biz