OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated financial statements for the 12 months ended 31 December 2021

Contents

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

EUR thousand

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of financial position as at 31 December 2021 and 31 December 2020

ASSETS	Note	31/12/2021	31/12/2020
NON-CURRENT ASSETS			
Intangible assets	3.1		
Intangible assets		485,288	439,849
Accumulated amortisation		(328,298)	(283,607)
		156,990	**156,242**
Concession infrastructure	3.2		
Intangible asset model		678	13,712
Financial asset model		-	61,417
		678	**75,129**
Property, plant and equipment	3.1		
Land and buildings		127,292	70,772
Machinery		395,442	319,706
Other installations, equipment and furniture		118,046	76,343
Property, plant and equipment under construction and advances		9,996	2,539
Other property, plant and equipment		75,152	65,973
Accumulated depreciation and provisions		(503,029)	(390,636)
		222,899	**144,697**
Investment properties		**4,322**	**4,295**
Goodwill	3.3	**36,998**	**6,398**
Non-current financial assets	3.4		
Investment securities		61,340	64,176
Other receivables		142,039	243,063
Deposits and guarantees given		9,569	8,910
Provisions		(49,309)	(9,250)
		163,639	**306,899**
Investments accounted for using the equity method	3.5	**167,221**	**295,106**
Deferred tax assets		**108,789**	**149,063**
TOTAL NON-CURRENT ASSETS		**861,536**	**1,137,829**
CURRENT ASSETS			
Non-current assets held for sale and discontinued operations	3.6	**32,515**	**-**
Inventories			
Embodiment items, fungibles and replacement parts for machinery		31,904	27,604
Auxiliary shop projects and site installations		36,559	32,113
Advances to suppliers and subcontractors		35,197	27,542
Write-downs		(3,502)	(1,006)
		100,158	**86,253**
Trade and other receivables	3.7		
Trade receivables		1,026,578	977,631
Receivables from associates		112,219	134,521
Employee receivables		1,160	931
Tax receivables		85,743	77,368
Other receivables		78,001	47,159
Provisions		(113,259)	(109,114)
		1,190,442	**1,128,496**
Current financial assets	3.4		
Investment securities		50,989	45,135
Other receivables		150,532	14,701
Deposits and guarantees given		146,622	148,380
Provisions		(13,362)	(13,311)
		334,781	**194,905**
Current income tax assets		**6,050**	**7,808**
Other current assets	3.8	**48,025**	**128,731**
Cash and cash equivalents	3.9	**507,455**	**471,014**
TOTAL CURRENT ASSETS		**2,219,426**	**2,017,207**
TOTAL ASSETS		**3,080,962**	**3,155,036**

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements as at 31 December 2021.

EUR thousand

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of financial position as at 31 December 2021 and 31 December 2020

EQUITY AND LIABILITIES	Note	31/12/2021	31/12/2020
EQUITY			
Share capital	3.10	147,781	171,929
Share premium	3.11	1,328,128	1,265,300
Treasury shares	3.12	(504)	(406)
Reserves	3.13	(665,640)	(559,063)
Reserves in consolidated companies		(161,575)	(209,608)
Valuation adjustments	3.14	(29,859)	(53,364)
Consolidated profit/(loss) for the period attributable to equity holders of the parent		24,532	(151,221)
TOTAL EQUITY ATTRIBUTABLE TO HOLDERS OF THE PARENT		**642,863**	**463,567**
Non-controlling interests		**(3,927)**	**(3,295)**
TOTAL EQUITY		**638,936**	**460,272**
NON-CURRENT LIABILITIES			
Issue of notes and other marketable securities	3.15		
Issue of corporate notes		444,642	589,636
		444,642	**589,636**
Bank borrowings	3.15		
Mortgage and other loans		43,355	1,844
Loans from concession operators		-	51,008
		43,355	**52,852**
Other financial liabilities	3.16	**24,937**	**33,802**
Deferred tax liabilities		**75,260**	**78,773**
Provisions		**64,024**	**63,710**
Deferred income		**261**	**593**
Other non-current liabilities	3.17	**23,364**	**14,094**
TOTAL NON-CURRENT LIABILITIES		**675,843**	**833,460**
CURRENT LIABILITIES			
Liabilities associated with non-current assets held for sale and discontinued operations	3.6	**9**	**-**
Issue of notes and other marketable securities	3.15		
Issue of corporate notes		9,458	8,804
		9,458	**8,804**
Bank borrowings	3.15		
Mortgage and other loans		26,052	97,627
Unmatured accrued interest payable		2	7
Unmatured accrued interest payable of concession operators		-	193
		26,054	**97,827**
Other financial liabilities	3.16	**15,943**	**16,862**
Trade and other payables			
Advances received from customers		424,525	417,146
Trade payables		816,349	830,288
Notes payable		53,760	56,023
		1,294,634	**1,303,457**
Provisions		**197,255**	**210,414**
Current income tax liabilities		**8,187**	**2,952**
Other current liabilities	3.17		
Payable to associates		82,252	109,025
Salaries payable		34,504	27,889
Tax payables		63,906	67,070
Other non-trade payables		32,340	14,260
Guarantees and deposits received		1,429	2,543
Other current liabilities		212	201
		214,643	**220,988**
TOTAL CURRENT LIABILITIES		**1,766,183**	**1,861,304**
TOTAL EQUITY AND LIABILITIES		**3,080,962**	**3,155,036**

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements as at 31 December 2021.

EUR thousand

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of profit or loss for the 12 months ended 31 December 2021 and 2020

	Note	12 months ended 31 December 2021	12 months ended 31 December 2020
Revenue	3.19	2,778,604	2,830,727
Other operating income	3.19	125,665	51,155
Total revenue		**2,904,269**	**2,881,882**
Cost of sales	3.19	(1,513,204)	(1,591,062)
Staff costs	3.19	(814,608)	(755,130)
Other operating expenses	3.19	(485,217)	(468,175)
Amortisation and depreciation		(77,449)	(74,582)
Change in provisions		10,753	(1,470)
OPERATING PROFIT/(LOSS)		**24,544**	**(8,537)**
Finance income	3.19	116,923	17,857
Finance costs	3.19	(90,525)	(54,470)
Net exchange differences	3.19	2,594	(1,816)
Net gain/(loss) on remeasurement of financial instruments at fair value	3.19	(10,768)	(17,940)
Share of profit/(loss) of companies accounted for using the equity method	3.19	(2,703)	677
Impairment and gains/(losses) on disposal of financial instruments	3.19	20,906	(62,892)
PROFIT/(LOSS) BEFORE TAX		**60,971**	**(127,121)**
Income tax expense	3.18	(36,243)	(22,989)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		**24,728**	**(150,110)**
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		**24,728**	**(150,110)**
Profit/(loss) from continuing operations attributable to non-controlling interests		(196)	(1,111)
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**24,532**	**(151,221)**
Earnings/(loss) per share:			
Basic	1.4.	**0.05**	**(0.53)**
Diluted	1.4.	**0.05**	**(0.53)**

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements as at 31 December 2021.

EUR thousand

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of recognised income and expense for the 12 months ended 31 December 2021 and 2020

	12 months ended 31 December	12 months ended 31 December
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	**24,728**	**(150,110)**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**13,333**	**(19,127)**
Cash flow hedges	4,141	(5,519)
Translation differences	8,153	(10,873)
Companies accounted for using the equity method	2,188	(4,238)
Tax effect	(1,149)	1,503
AMOUNTS TRANSFERRED TO PROFIT OR LOSS	**12,921**	**8,453**
Cash flow hedges	7,986	1,329
Companies accounted for using the equity method	7,154	7,482
Tax effect	(2,219)	(358)
TOTAL COMPREHENSIVE INCOME	**50,982**	**(160,784)**
Attributable to equity holders of the parent	48,037	(161,886)
Attributable to non-controlling interests	2,945	1,102

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements as at 31 December 2021.

EUR thousand

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of changes in equity for the 12 months ended 31 December 2021 and 2020

	Equity attributable to equity holders of the parent							
	Share capital	Share premium and reserves	Treasury shares	Consolidated profit/(loss) for the period attributable to equity holders of the parent	Valuation adjustments	Total equity attributable to holders of the parent	Non-controlling interests	Total equity
Closing balance at 31 December 2019	**171,929**	**641,276**	**(535)**	**(142,960)**	**(42,699)**	**627,011**	**(4,148)**	**622,863**
Total comprehensive income	-	-	-	(151,221)	(10,665)	(161,886)	1,102	(160,784)
Transactions with equity holders or owners	**-**	**(239)**	**129**	**-**	**-**	**(110)**	**-**	**(110)**
Treasury share transactions	-	(239)	129	-	-	(110)	-	(110)
Other changes in equity	**-**	**(144,408)**	**-**	**142,960**	**-**	**(1,448)**	**(249)**	**(1,697)**
Transfers between equity items	-	(142,960)	-	142,960	-	-	-	-
Other changes	-	(1,448)	-	-	-	(1,448)	(249)	(1,697)
Closing balance at 31 December 2020	**171,929**	**496,629**	**(406)**	**(151,221)**	**(53,364)**	**463,567**	**(3,295)**	**460,272**
Total comprehensive income	-	-	-	24,532	23,505	48,037	2,945	50,982
Transactions with equity holders or owners	**(24,148)**	**154,826**	**(98)**	**-**	**-**	**130,580**	**-**	**130,580**
Capital increases	(24,148)	154,700	-	-	-	130,552	-	130,552
Treasury share transactions	-	126	(98)	-	-	28	-	28
Other changes in equity	**-**	**(150,542)**	**-**	**151,221**	**-**	**679**	**(3,577)**	**(2,898)**
Transfers between equity items	-	(151,221)	-	151,221	-	-	-	-
Other changes	-	679	-	-	-	679	(3,577)	(2,898)
Closing balance at 31 December 2021	**147,781**	**500,913**	**(504)**	**24,532**	**(29,859)**	**642,863**	**(3,927)**	**638,936**

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements as at 31 December 2021.

EUR thousand

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of cash flows for the 12 months ended 31 December 2021 and 2020

	12 months ended 31 December	12 months ended 31 December
A) NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**(633)**	**7,644**
Profit/(loss) before tax	**60,971**	**(127,121)**
Adjustments to profit/(loss)	**30,269**	**194,636**
Amortisation and depreciation	77,449	74,582
Other adjustments to profit/(loss)	(47,180)	120,054
Working capital changes	**(98,017)**	**(69,496)**
Other cash flows from/(used in) operating activities	**6,144**	**9,625**
Dividends received	1,702	3,256
Income tax recovered/(paid)	(9,002)	(12,620)
Other amounts received from/(paid for) operating activities	13,444	18,989
B) NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**85,623**	**(12,930)**
Payments for investments	**(63,163)**	**(52,215)**
Group companies, associates and business units	(25,827)	(26,630)
Property, plant and equipment, intangible assets and investment properties	(29,645)	(24,741)
Other financial assets	(7,691)	(844)
Proceeds from sale of investments	**132,755**	**25,982**
Group companies, associates and business units	127,623	13,620
Property, plant and equipment, intangible assets and investment properties	5,132	12,362
Other cash flows from investing activities	**16,031**	**13,303**
Interest received	16,031	13,303
C) NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**(63,871)**	**(59,260)**
Proceeds from (and payments for) equity instruments	**71,426**	**(120)**
Issue	71,398	
Acquisition	(8,327)	(18,728)
Disposal	8,355	18,608
Proceeds from (and payments for) financial liability instruments	**(36,505)**	**20,011**
Issue	5,817	107,312
Redemption and repayment	(42,322)	(87,301)
Other cash flows from/(used in) financing activities	**(98,792)**	**(79,151)**
Interest paid	(75,922)	(54,492)
Other amounts received from/(paid for) financing activities	(22,870)	(24,659)
D) EFFECT OF FOREIGN EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	**15,323**	**(19,882)**
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**36,441**	**(84,428)**
F) CASH AND CASH EQUIVALENTS AT 1 JANUARY	**471,014**	**555,442**
G) CASH AND CASH EQUIVALENTS AT 31 DECEMBER (E+F)	**507,455**	**471,014**

COMPONENTS OF CASH AND CASH EQUIVALENTS AT 1 JANUARY		
Cash in hand and at banks	497,201	450,324
Other financial assets	10,254	20,690
TOTAL CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**507,455**	**471,014**

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements as at 31 December 2021.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 12 MONTHS ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

1.1.- Name and registered address

Obrascón Huarte Lain, S.A., formerly Sociedad General de Obras y Construcciones Obrascón, S.A., is a Spanish public limited company (*sociedad anónima)* incorporated on 15 May 1911, with registered address at Paseo de la Castellana, 259 D, Madrid, Spain.

Obrascón Huarte Lain, S.A. (the "Parent") and its subsidiaries (collectively "OHLA Group" or "the "Group") form a group, with registered address at Paseo de la Castellana 259 D, Madrid, Spain.

OHLA Group operates primarily in the US and Spain, but does business in other countries, in particular in Latin America and elsewhere in Europe.

1.2.- Business sectors

The companies comprising Obrascón Huarte Lain Group conduct business mainly in the following sectors:

Construction

All manner of civil engineering and building construction works for public and private customers in Spain and abroad.

Industrial

Industrial engineering, particularly complete industrial plants and systems, including the design, construction, maintenance and operation thereof, and any other activity related to oil and gas, renewable energy, mining and cement, solids engineering and fire-fighting systems.

Services

Cleaning, maintenance and urban, and waste management services in buildings, homes, offices, urban green areas and road networks, and social and health services.

Other

The Group engages in other minor activities, which at the reporting date are not disclosed separately since they do not represent a significant portion of total revenue. These activities relate to the development and operation of premium or luxury mixed-use hotels, the development of infrastructure, primarily through concession arrangements, and any corporate-related activity.

1.3.- Profit/(loss) for the period, trend in equity attributable to the parent and changes in cash flows

Profit/(loss) for the period

Consolidated profit attributable to equity holders of the parent for the 12 months ended 31 December amounted to EUR 24,532 thousand.

	EUR thousand	
	12 months ended 31 December 2021	12 months ended 31 December 2020
Revenue	2,778,604	2,830,727
EBITDA(*)	**91,240**	**67,515**
EBIT	**24,544**	**(8,537)**
Financial profit/(loss) and other profit/(loss)	36,427	(118,584)
Profit/(loss) before tax	**60,971**	**(127,121)**
Income tax expense	(36,243)	(22,989)
Profit/(loss) for the period from continuing operations	**24,728**	**(150,110)**
Profit/(loss) for the period attributable to non-controlling interests	(196)	(1,111)
Profit/(loss) for the period attributable to equity holders of the parent	**24,532**	**(151,221)**

(*) EBITDA is calculated as operating profit/(loss) plus amortisation and depreciation, and changes in provisions.

Set out below is the reconciliation of segment profit/(loss) for the period to profit/(loss) before tax for the 12 months ended 31 December 2021 and 2020:

Segment	EUR thousand	
	12 months ended 31 December 2021	12 months ended 31 December 2020
Construction	44,904	21,163
Industrial	955	(1,422)
Services	4,059	3,210
Other	(25,190)	(173,061)
Profit/(loss) for the period	24,728	(150,110)
Income tax expense	(36,243)	(22,989)
Profit/(loss) before tax	**60,971**	**(127,121)**

Trend in equity attributable to equity holders of the parent

Set out below are the changes in equity attributable to equity holders of the parent in 2021 and 2020:

	EUR thousand
Balance at 31 December 2019	**627,011**
Profit/(loss) for 2020 attributable to equity holders of the parent	(151,221)
Cash flow hedge reserves	1,175
Translation differences	(11,840)
Other changes	(1,558)
Balance at 31 December 2020	**463,567**
Profit/(loss) for 2021 attributable to equity holders of the parent	24,532
Cash flow hedge reserves	15,125
Translation differences	8,380
Other changes (*)	131,259
Balance at 31 December 2021	**642,863**

(*) Includes capital increases (see Note 2.9)

Changes in cash flows

The following table presents changes in cash flows in 2021 compared to the previous year by operating, investing and financing activities:

Cash flows	12 months ended 31 December 2021	12 months ended 31 December 2020	Difference
	EUR thousand		
Operating activities	(633)	7,644	(8,277)
Investing activities	85,623	(12,930)	98,553
Financing activities	(63,871)	(59,260)	(4,611)
Effect of foreign exchange differences on cash and cash equivalents	15,323	(19,882)	35,205
Net increase/(decrease) in cash and cash equivalents	**36,441**	**(84,428)**	**120,869**
Cash and cash equivalents at 1 January	**471,014**	**555,442**	**(84,428)**
Cash and cash equivalents at 31 December	**507,455**	**471,014**	**36,441**

1.4.- Earnings per share (EPS)

Basic earnings per share

Basic earnings per share (EPS) amounts are calculated by dividing the consolidated profit/(loss) for the period attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period, excluding the average number of treasury shares held in the period.

Diluted EPS

Diluted EPS is calculated similarly to basic EPS, except the weighted average number of shares outstanding is increased by share options, warrants and convertible debt.

There were no differences between the basic earnings per share and diluted earnings per share in 2021 and 2020.

	EUR thousand	
	31/12/2021	31/12/2020
Weighted average number of shares outstanding	463,607,040	285,964,167
Consolidated profit/(loss) for the period attributable to equity holders of the parent	24,532	(151,221)
Basic earnings (loss) per share = Diluted earnings (loss) per share	**0.05**	**(0.53)**

2. BASIS OF PREPARATION AND CONSOLIDATION

2.1.- Basis of preparation

In accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, all companies governed by the laws of a member state of the European Union and whose securities are traded on a regulated market in any European Union country must file consolidated financial statements for periods beginning on or after 1 January 2005 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

The Group's 2020 consolidated financial statements were prepared by the Parent's directors in accordance with the IFRSs as adopted by the European Union, applying the consolidation principles, accounting policies and measurement criteria described in Note 2.6 to those consolidated financial statements, to give a true and fair view of the Group's consolidated equity and financial position as at 31 December 2020, and of its consolidated financial performance and the changes in its consolidated equity and consolidated cash flows for the year then ended.

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* by the Group's directors on 23 February 2022 as required by article 12 of Royal Decree 1362/2007.

In accordance with IAS 34, the interim consolidated financial report is intended to provide an update on the Group's latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances occurring in the second half of the year and does not duplicate information previously reported in the annual consolidated financial statements for 2020. For an appropriate understanding of the information included in these interim condensed consolidated financial statements, they should be read in conjunction with the Group's annual consolidated financial statements for 2020 and the interim condensed consolidated financial statements for the first half of 2021.

2.2.- International Financial Reporting Standard (IFRSs)

The accounting standards used to prepare the accompanying interim condensed consolidated financial statements are the same as those used to prepare the consolidated financial statements for the year ended 31 December 2020, as none of the standards, interpretations or amendments that are effective for the first time in the current period have had any impact on the Group's accounting policies.

The Group intends to apply the new standards, interpretations and amendments issued by the IASB whose application is not mandatory in the European Union when they become effective, to the extent applicable to the Group. Although the Group is still in the process of analysing their impact, based on the analysis performed to date, it estimates that their first-time application will not have a significant impact on its annual consolidated financial statements or its interim condensed consolidated financial statements.

2.3.- Functional currency

These interim condensed consolidated financial statements are presented in euros (EUR) as this is the currency of the primary economic area in which the Group operates. The Group's foreign operations are recognised in accordance with the policies explained in Note 2.6.11. to the Group's annual financial statements for 2020.

2.4.- Responsibility for the information, accounting estimates and accounting policies

The information in these interim condensed consolidated financial statements is the responsibility of the Parent's directors.

The preparation of the interim condensed consolidated financial statements required senior management of the Parent and consolidated companies to make estimates, which are subsequently ratified by their directors, that affect the reported amounts of certain assets, liabilities, revenues and expenses. These estimates relate basically to:

- Impairment losses on certain assets.
- The useful life of intangible assets and property, plant, and equipment.
- The recognition of construction contract revenue and expenses.
- The amount of certain provisions.
- The income tax expense which, in accordance with IAS 34, is recognised in each interim period based on the best estimate of the weighted average annual effective income tax rate expected for the full financial year.
- The fair value of assets acquired in business combinations and goodwill.
- The fair value of financial liabilities and debt to equity swaps.
- The fair value of certain unquoted assets.
- The assessment of potential contingencies for employment, tax and legal risks.
- Financial risk management.

Although these estimates were made on the basis of the best information available at the reporting date regarding the facts analysed, future events could make it necessary to revise these estimates in subsequent periods. Any changes in accounting estimates would be applied prospectively in accordance with IAS 8, with the effects of the change in accounting estimates recognised in the consolidated statement of profit or loss of the periods affected.

2.5.- Seasonality of Group operations

Given the activities carried out by Group companies, their transactions are not regarded as highly cyclical or seasonal. Consequently, the accompanying explanatory notes to the interim condensed consolidated financial statements for 2021 do not include specific disclosures.

2.6.- Materiality

In determining the disclosures of the various items of the interim condensed consolidated financial statements and other matters, the Group, in accordance with IAS 34, assessed materiality.

2.7.- Risk management at OHLA Group

Risk control and management at OHLA Group is designed to control and manage current or emerging risks and opportunities related to its business activities in order to:

- Deliver the Group's strategic and operating objectives.
- Protect the Group's reputation, safeguard its legal certainty and ensure its sustainability.
- Protect the security of shareholders' equity.
- Protect the interests of other stakeholders in the organisation's performance.
- Enhance OHLA Group's level of innovation, competitiveness and trust.

To achieve these objectives, the following guiding principles for controlling and managing risks and opportunities are in place:

- Act in accordance with the law at all times, and with the values and standards set out in the Code of Ethics and the Group's regulatory framework.
- Act in accordance with the level of the risk tolerance defined by the Group.
- Embed risk and opportunity control and management into the Group's business processes and its strategic and operational decision-making.
- Manage the information generated regarding risks in a manner that is transparent, proportionate and appropriate, and communicate this information on a timely basis.
- Establish and maintain a risk-aware culture.
- Incorporate risk control and management best practices and recommendations.

Risk control and management are part of the Group's regulatory and operational framework. When applied by the organisation carrying out its operations, this allows:

- The identification of material risks and opportunities that affect, or could affect, the achievement of the Group's objectives.
- The assessment of the risks detected.
- The definition of measures to be taken and decision-making based on the risks and opportunities alongside other aspects of the business.
- The implementation of these measures.
- The control and ongoing monitoring of the most significant risks and the effectiveness of the measures taken.
- The establishment of the information reporting system, communication channels and levels of authorisation.

OHLA Group's Board of Directors is responsible for approving the Risk Control and Management Policy.

The Audit and Compliance Committee is responsible for overseeing and verifying that the commitments outlined in the Risk Control and Management Policy are up to date and fulfilled on an ongoing basis.

Group management draws up a risk map on an annual basis identifying and assessing current risks and any emerging risks that might affect the Group in the future.

Each business or functional unit is responsible for controlling and managing the risks that affect the performance of its respective operations and for reporting any such risks as soon as they are detected or proven.

Risk management is the responsibility of all OHLA Group employees. Each employee must understand the risks relating to their area of responsibility and manage them within the action framework defined in the Policy. They must also know the established tolerance limits.

OHLA Group's Risk Control and Management Policy is reviewed annually to ensure that it remains aligned with the interests of the Group and its stakeholders and is available to all of them.

The main risks that might affect the achievement of the Group's objectives are as follows:

i. Financial risk

Financial risks are risks that may affect mainly the Group's ability to raise the necessary financing when required and at a reasonable cost and to maximise its available resources. These include interest rate risk, currency risk, liquidity risk and collateral risk, as described in Note 4.2 to the 2020 annual consolidated financial statements.

ii. Liquidity risk

The deterioration of the Group's financial position caused by both external and internal factors became evident in 2020, stemming primarily from:

a. Difficulties renewing the Group's guarantee facilities
b. Impossibility of refinancing the Notes under economically viable terms and conditions
c. Impact of Covid-19
d. Downgrades to the Group's credit rating
e. Losses due to internal factors on loss-making projects

This situation prompted the directors to begin an in-depth assessment of the situation in 2020 and decide to **embark on a restructuring** (the "Restructuring"), which was formalised on 20 January 2021 in a Lock-Up Agreement among the parties. The main features of the Restructuring were:

1) **Capital reduction**
2) **Investment commitments and cash capital increases**
3) **Amendments to terms and conditions of the Notes**

The Restructuring (see Note 2.9 for further details) **<u>was completed on 28 June 2021 and considerably changed the Group</u>**'s liquidity, which in addition was further strengthened by:

- The disposal of the investments in Hospital de Toledo, S.A. and Mantholedo, S.A.U. in 2021.
- The disposal of Old War Office in 2021, with part of the sale proceeds received during the year and the remainder expected to be received in 2022.
- The sale of Sociedad Concesionaria Aguas de Navarra, S.A., also in 2021.
- Approval to extend the maturity of the bridge financing agreement (ICO) to 30 October 2024 (from 30 October 2021).
- Renewal of the guarantee facilities of the Multiproduct Syndicated Facilities Agreement until 30 June 2022.
- Arrangement of a syndicated revolving guarantee facility on 12 August 2021 for up to EUR 150,000 thousand, of which EUR 75,000 thousand are committed by banks and EUR 30,000 thousand are undrawn. This guarantee facility is backed by CESCE for 60% of the total amount.

As a result, the Group's liquidity position at 31 December 2021, comprising cash and cash equivalents and current financial assets, stood at EUR 842,236 thousand, of which the Group has received a total of EUR 160,155 thousand (see Note 3.4), broken down as follows:

- EUR 507,455 thousand of cash and cash equivalents, of which EUR 147,543 thousand relate to the Group's interests in temporary business associations or joint ventures (Spanish UTEs). There is also EUR 7,990 thousand of restricted cash related to other guarantees.
- EUR 334,781 thousand of current financial assets, which include a restricted deposit of EUR 140,000 thousand as collateral for the guarantee facilities of the Multiproduct Syndicated Facilities Agreement and EUR 50,830 thousand as performance bonds for certain projects being carried out in the US.

The Group also has EUR 27,051 thousand of drawable credit lines and discount facilities.

The Group's financial situation improved considerably and its liquidity risk decreased by implementing all these measures and monitoring the business plan, particularly focusing on cash generation of the businesses and improvement in working capital.

Nevertheless, the directors and the management team continue to monitor the Group's liquidity position closely.

iii. Market and business environment risks

OHLA Group is exposed to the overall political and economic situation. The performance of its operations depends on the investment capabilities and decisions of its public and private customers. Political changes in some of the Group's operating markets could affect planned investments and business performance. The outlook for the pandemic, not to mention political and territorial disputes among EU Member States, add an element of uncertainty. The Group is also exposed to new regulations in Spain and abroad or amendments to existing regulations. These risks can affect order intake for new products, project performance and the Group's profitability. These risks are minimised as the Group does business in several geographies, with most of its operations located in countries with stable socio-economic and regulatory environments (e.g. Europe and the US).

iv. Price volatility and resource scarcity risks

OHLA Group is exposed to the risk of a shortages of human resources, subcontractors and suppliers, and certain products in its footprint markets. Moreover, increases in prices of certain cost components, such as raw materials (e.g. bitumen, steel), and energy prices affect the costs of the main supplies of goods and services the Group requires to carry on its operations. There might also be shortages or logistics disruptions that could cause delays in deliveries or the provision of goods and services.

v. Construction/project execution risk

Some of these risks, coupled with potential technical issues, can result in delays in the Group's construction/project execution and cost overruns. This can lead to claims against customers and, where there are disputes, lawsuits.

vi. Environmental and social risks

OHLA Group assesses environmental and social risks during the tender phase, analysing the likely impact on the population, climate, fauna, flora, soil, air, water, landscape and property assets, including historical-artistic and archaeological heritage. It specifies the required preventive measures to be put in place during the related construction, operation and maintenance activities in each case.

2.8.- Update of Covid-19 impact in 2021

The pandemic began in 2020 and had an unprecedented impact across the globe, negatively affecting all economic indicators. **Case counts dropped in the first half of 2021, but began rising again in the second and early 2022, driven by the Omicron variant.**

As a result, a return to normality is unlikely in the near term, with virtually all countries imposing restriction to reduce the spread of infection.

Against this backdrop, the economy began recovering at the beginning of 2021 driven primarily by private consumption, but slowed in the year's second half, with the Mediterranean countries recovering least in the year.

OHLA Group-specific disclosures:

i. Impact on construction/project execution

Activity was more normal in 2021, although some countries continued to suffer from delays in receiving supplies and/or labour issues due to travel bans/mobility problems.

Delays in order intake in late 2020 pushed back the start of production in the related projects in 2021. This impacted sales, which were down slightly (-1.8%) from 2020, with Construction hit hardest (-4.9% vs. 2020).

ii. Market and business environment impact

Project tendering is picking back up or back to normal in most of the Group's geographies, which sustained considerable cutbacks/delays during the pandemic.

This situation enabled the Group to sign major contracts in the US, North and South Latin America, and the Czech Republic in the fourth quarter of 2020 and more so in 2021. The Group's order intake rose 33.9% in 2021 to EUR 3,696,675 thousand.

iii. Employment impacts

The Group implemented employee furlough schemes (ERTE in Spanish) in Spain in 2020, but lifted them towards the end of the year. This situation was back to normal in 2021, although the spike in Covid-19 cases prevented all staff from going to their workplace in person as usual. Remote working measures largely mitigated this effect, as long as workers did not have to take sick leave.

iv. Impact on liquidity position

Despite the difficulties in markets, the Group successfully carried out a major debt restructuring operation in 2021. This, coupled with a capital increase, strengthened its statement of financial position, shoring up its liquidity position.

This, alongside more active working capital management and increased sources of funding and guarantees, helped avoid the adverse effects arising from Covid-19-related or other problems in operations and achieve the business plan targets.

v. Impact on the valuation of assets and liabilities

In 2021, operations of the Canalejas Project took longer to return to normal because of the pandemic, delaying operating income and outstanding investments (e.g. in shopping centres and other) and requiring the Group to recognise an additional impairment for the year.

The tests carried out at the end of the year did not show any indications of impairment in the rest of the Group's assets.

Nevertheless, the Group's management and directors will continue to monitor the pandemic in all the geographical areas of operations and its potential impacts if a surge in the pandemic undermines the current situation, reflecting this in 2022.

2.9.- Restructuring operation

2.9.1. Background

The Group's directors and management team considered debt on the statement of financial position to be excessive and unsustainable, resulting in a financial position that could limit the Group's operations and its ability to generate growth. The Group's financial position had deteriorated because of both external and internal factors. Although the Group took certain actions to improve its financial position, they proved insufficient because of certain factors.

Leverage remained high compared to the Group's ability to generate enough cash flow to service debt. Several of the Group's guarantee facilities matured in 2020 and the Parent had been assessing several refinancing alternatives since the spring of 2019, engaging external financial advisors to help provide consulting and assist in stabilising the Parent's capital structure. The Parent was able to agree the renewal of the guarantee facilities with the relevant counterparties, but the extensions were monthly ahead of the restructuring of OHL notes ("the Notes") to strengthen the Parent's capital structure.

The Parent was encountering significant difficulties securing additional guarantee facilities, which hurt the Group's ability to win new construction projects, improve its operating performance and generate sufficient cash flow.

Unless the Restructuring was carried out, there were no reasonable expectations that the Group could continue as a going concern in its current state and with its liabilities and funding requirements would probably fail to meet its obligations in relation to debt instruments.

Several external and internal factors led to the deterioration of the Group's financial position, which can be summarised as follows:

i. difficulties renewing the Group's guarantee facilities;
ii. impossibility of refinancing the Notes under economically viable terms (specifically, the 2022 Notes would mature in 2022, with EUR 8,800 thousand of unmatured accrued interest on the Notes falling due in 2021);
iii. successive downgrades to the Group's credit rating; and
iv. losses due to internal factors.

In addition, some of the Parent's borrowings, specifically the ICO (State-backed) facility, initially carried a maturity date of 30 October 2021.

This left the Group with little choice but to implement the Restructuring in order to minimise losses for all its stakeholders.

2.9.2. Lock-up agreement

On 7 August 2020, in an inside information notice sent to the Spanish National Securities Market Commission ("CNMV"), the Parent announced that it had entered into a "commitment agreement" with the members of the Ad Hoc Group (i.e., a group of OHL noteholders who are also the Backstop Providers as described below, and, in addition, Beach Point Capital Management LLP and Marathon Asset Management), which at the date of the scheme of arrangement held 53.46% of the nominal value of the Notes (as described below). Under the commitment agreement, the members of the Ad Hoc Group undertook to: (i) vote in favour of the proposals to be submitted for approval at the noteholder meetings to be held on 4 September 2020; and (ii) continue talks with the Parent to seek strategic alternatives to shore up its statement of financial position.

On 4 September 2020, in a further inside information notice, the Parent disclosed that: (i) the noteholders, at their meetings in respect of the various Note issues, had approved the proposals submitted to them to the effect that they waive certain rights in consideration of the Parent and some of its subsidiaries having provided collateral to secure all amounts falling due from time to time in accordance with the ICO facility; and (ii), as to satisfaction of the other requirements for drawing down the second tranche (EUR 70 million) of the bridge financing (also granted by ICO), the Parent was still in talks with the noteholders to seek strategic alternatives to shore up its statement of financial position in accordance with the earlier announcement of 7 August.

Once negotiations with the Ad Hoc Group – also involving major shareholders of the Parent (the "Amodio Shareholders") – had been completed, the Parent issued an inside information notice on 21 January 2021 announcing that it had signed a "Lock-Up Agreement" setting out the core business and legal terms of the Restructuring. The Parent and some of its subsidiaries subscribed to the Lock-Up Agreement on 25 February 2021, as disclosed in an inside information notice on that date.

Specifically, under the Lock-Up Agreement, the parties undertook to:

i. use their best efforts to take any action required to support, facilitate, complete or execute the Restructuring or any part of it in accordance with the Lock-Up Agreement and its attached term sheet (including any action to vote in favour of the Scheme at the relevant scheme meeting with noteholders); and
ii. not take any action that, on a reasonable view, might delay or prevent the execution or completion of the Restructuring or that might be inconsistent with the terms of the Lock-Up Agreement (including voting against the terms of the Scheme).

2.9.3. Scheme of arrangement

The terms of the transaction set out in the Lock-Up Agreement offered OHL noteholders two different options (the "Scheme Election Process”):

i. Option 1: a Noteholder opting for Option 1 would receive “Option 1 Instruments”, i.e., for every EUR 1,000 of principal of the Notes, EUR 880 of the principal of the New Notes, and, if applicable, EUR 20 by way of a “lock-up fee”; or
ii. Option 2: a Noteholder opting for Option 2 would receive (A), in respect of up to 38.25% of the principal of their Notes, and for every EUR 1,000 of the principal of such Notes, “Debt-Equity Swap Option Instruments”, i.e., EUR 680 of the principal of the New Notes and EUR 300 of new shares at an issue price of EUR 0.74 per share, and, if applicable, EUR 20 by way of a lock-up fee; and (ii), in respect of the remaining 61.75% of the principal of their Notes, “Option 1 Instruments”, and, if applicable, EUR 20 by way of a lock-up fee.

The Scheme was approved by the Scheme Creditors at their Scheme Meeting and then sanctioned by the High Court in London on 15 April 2021 in accordance with s. 899 of the UK Companies Act 2006.

2.9.4. Backstop commitment and election

Issuance of the Debt-Equity Swap Option Instruments entailed converting EUR 68,033,898 of existing OHL notes into new OHL shares. For OHL, the key point of the restructuring plan was to make sure that the Debt-Equity Swap Option Instruments were fully subscribed for, so as to reduce the burden of indebtedness as envisaged for this debt-equity swap.

So that OHL could benefit from a full reduction of indebtedness by means of the Restructuring (i.e., full implementation of the debt-equity swap), the Backstop Providers (i.e., Sand Grove Capital Management LLP[1], Melqart Asset Management (UK) Ltd and Searchlight Opportunities Fund GP, LP), under the backstop agreement of 20 January 2021 (the "**Backstop Agreement**") undertook to subscribe for all "Debt-Equity Swap Option Instruments" in the proportions set out in the Backstop Agreement (69.6% for Sand Grove, 18.9% for Melqart and 11.4% for Searchlight) if such instruments failed to be allotted via the Scheme Election Process because of insufficient appetite for Option 2 (the "**Backstop Commitment**").

As disclosed to the market in January 2021, the Lock-Up Agreement and Backstop Agreement stipulated that the Backstop Providers had an option to subscribe for all "Debt-Equity Swap Option Instruments" if, before a given date, noteholders accounting for at least 75% of the outstanding principal of the Notes (excluding Notes held by the Backstop Providers themselves) had (i) subscribed to the Lock-Up Agreement, and (ii) elected Option 1 (the "**Backstop Election**").

If the Backstop Providers were to exercise the option to elect the Backstop, any noteholder that had subscribed to the Lock-Up Agreement and committed to Option 2 could then break out from the Lock-Up Agreement within the five business days following the Backstop Providers' exercise of that option. If they did not break out from the Lock-Up, those Option 2 noteholders would from then on be treated as Option 1 noteholders.

Neither the Backstop Commitment nor the Backstop Election required the Backstop Providers fully to subscribe for Option 2 (or elect fully to subscribe for Option 2). Rather, both related to the "Debt-Equity Swap Option Instruments" exclusively, as an assurance for the debt-equity swap referred to above.

As set out in the Lock-Up Agreement, if the Backstop Providers had to fulfil the Backstop Commitment or exercise the Backstop Election Process, they would not be ascribed to Option 2; rather, the Scheme would then no longer include an Option 2 at all, and instead Scheme Creditors would be treated as Option 1 noteholders. The Backstop Providers would then no longer be treated as Scheme creditors and – given that at the date of the Scheme they held 43.82% of the principal of the notes – they would receive: (i) in respect of an amount of Notes equivalent to 38.25% of the total principal of the Notes, the full amount of the Debt-Equity Swap Option Instruments (i.e., for every EUR 1,000 principal of Notes, EUR 680 principal of New Notes and EUR 300 value of New Shares); and (ii), in respect of the remainder of Notes held, Option 1 Instruments (i.e., for every EUR 1,000 principal of Notes, EUR 880 principal of New Notes).

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[1] Through Sand Grove Opportunities Master Fund Ltd, Sand Grove Tactical Fund LP and Investment Opportunities SPC, on behalf of Investment Opportunities 2 Segregated Portfolio. Sand Grove Capital Management LLP acts as investment manager for these entities. Sand Grove Capital Management LLP is ultimately controlled by Simon Davies.

2.9.5. Allocation of instruments to noteholders

By 8 February 2021, noteholders owning 93% of the principal of the Notes had subscribed to the Lock-Up Agreement, of whom (i) 83% of noteholders subscribing to the Lock-Up Agreement (excluding notes owned by the Backstop Providers), i.e., accounting for EUR 276,451 thousand of nominal value, elected Option 1, whereas (ii) only 4.62% of noteholders subscribing to the Lock-Up Agreement – accounting for EUR 15,380 thousand of the nominal value (excluding notes owned by the Backstop Providers) - elected Option 2.

Therefore, the requirements were satisfied for the Backstop Providers to exercise the Backstop Election.

On 9 February 2021, the Backstop Providers did in fact notify the Parent of their intention to exercise it.

On 10 February 2021, the Parent filed an inside information notice disclosing that the noteholders (except the Backstop Providers) that had elected Option 2 (who, in the event, accounted for less than 2.5% of the principal of the Notes) could choose to break out of the Lock-Up Agreement in respect of the notes they held within five business days of 9 February 2021 (the date of exercise of the Backstop Election by the Backstop Providers). In the notice, the Parent warned that if such noteholders declined to exercise their break-out right, they would automatically be treated as Option 1 noteholders.

As a result, the Backstop Providers, fully and exclusively, took on the "Debt-Equity Swap Option Instruments", and the Scheme offered only one option: Option 1.

Therefore, in performance of the Scheme (which had already been sanctioned by the High Court in England):

- The Backstop Providers, who at the date of the Scheme owned 43.82% of the principal of the Notes, were to receive:
    - In respect of an amount of Notes equivalent to 38.25% of the total principal of the Notes, the Debt-Equity Swap Option Instruments (i.e., for every EUR 1,000 principal of Notes, EUR 680 principal of New Notes and EUR 300 in New Shares), a total nominal value of EUR 158,745,762 principal of New Notes and EUR 68,033,898 in New Shares in OHL).
    - With respect to the remainder of their Notes, Option 1 Instruments.
- Noteholders who were not Backstop Providers (who, as at the Scheme date held 56.18% of the principal of the Notes) were to receive Option 1 Instruments that, together with the Option 1 Instruments to be received by the Backstop Providers as described above, would represent in aggregate a total nominal amount of EUR 328,517,042 in New Notes.

Therefore, only the Backstop Providers subscribed for the new OHL shares that were issued to support the debt-equity swap of some of the notes.

By exercising the Backstop Election, the Backstop Providers were excluded from the Scheme procedure (i.e., they were no longer treated as Scheme Creditors and, therefore, were not involved in voting on the approval of the Scheme at the Scheme Meeting). However, the Backstop Providers agreed to be bound by the outcome of the Scheme by signing the Restructuring Implementation Deed, which was subject to English law.

2.9.6. Conditions precedent of the Restructuring

Implementation of the Restructuring was subject to the fulfilment of a range of conditions precedent set out in the Lock-Up Agreement and in the Restructuring Implementation Deed (under English law). Those conditions were satisfied on 28 June 2021.

The Effective Date of the Restructuring was 28 June 2021. On that date, the New Notes were issued, the existing Notes were cancelled, the terms of the Group's borrowings from its main lender banks were replaced by new terms (novation), and the Capital Increases were approved, paid up and implemented.

2.9.7. Key terms of the Restructuring

The key terms of the Restructuring were: (i) the Capital Reduction; (ii) the investment commitments of the Amodio Shareholders and Tyrus Capital Event, S.à r.l. and/or Tyrus Capital Opportunities S.à r.l. (“**Tyrus**”) and the Cash Increases (as defined below); (iii) amendment of the terms of the Notes; (iv) corporate restructuring or Hive Down; and (v) approval of the Restructuring.

The Lock-Up Agreement entered into on 20 January 2021 sets out the agreement between the parties on the terms of the Restructuring, as described below.

i. Capital Reduction

At an Extraordinary General Meeting held on 26 March 2021, the shareholders of OHL approved a capital reduction via a EUR 0.35 decrease in the par value of each share from EUR 0.60 to EUR 0.25. The aim was to increase unavailable reserves so the par value of OHL shares would be equal to or less than the price at which the New Shares would be issued. Implementation of this corporate action (the "**Capital Reduction**") was delegated to the Board of Directors.

On 26 March 2021, the Board of Directors decided to implement the Capital Reduction. On 30 March 2021, the Capital Reduction deed was executed before the Madrid notary Jaime Recarte Casanova, under number 2,201 of his protocol, and registered with the Madrid companies registry (Registro Mercantil) on 20 April 2021.

ii. Investment commitments and cash capital increases

As part of the Restructuring, the Parent raised funds by a combination of a rights issue (the "Rights Issue) for a total value of EUR 35,000 thousand and a private placement (the "Private Placement") for a value of EUR 36,400 thousand. These transactions entailed the issue of 101,111,111 new shares (each share having a cash value of EUR 0.36), which were subscribed for in full.

Under the Lock-Up Agreement, the Amodio Shareholders undertook, as a joint liability, to provide funds to the Parent in a total cash amount (nominal value plus premium) of EUR 37,000 thousand (the "**Amodio Investment Commitment**"). For its part, Tyrus undertook to invest a total cash amount (nominal value plus premium) of EUR 5,000 thousand (the "**Tyrus Investment Commitment**").

Specifically, by virtue of their respective investment commitments, the Amodio Shareholders and Tyrus undertook to: (i) subscribe for all otherwise unsubscribed shares in the Rights Issue after the first and second rounds (the "**Surplus Shares**") in a proportion of 88.10%/11.90% of the total of such Surplus Shares; and (ii) subscribe for shares in the Private Placement for amounts equal to EUR 37,000 thousand and EUR 5,000 thousand, respectively, less the amount corresponding to the Surplus Shares subscribed for by the Amodio Shareholders and Tyrus in accordance with item (i) above.

The Cash Capital Increases were approved by OHL shareholders at an Extraordinary General Meeting held on 26 March 2021. The resulting capital increases were subscribed for and fully paid up on 25 June 2021 and registered with the companies registry on 28 June 2021.

Arrangement and investment commitment fee

As consideration for their role in negotiating and arranging the Restructuring, the Amodio Shareholders received the "Amodio Investment Commitment Fee", which was exchanged for new shares in the Parent by means of the Arrangement and Commitment Fee Capital Increase at a price per share equal to that of the Cash Capital Increases, i.e., EUR 0.36 per share. New shares were issued at a 42.54% discount with respect to the quoted share price on 1 June 2021 (EUR 0.63 per share).

The Amodio Shareholders' claim against OHL in respect of the Arrangement and Commitment Fee was thus paid off in the form of shares in the Parent. The New Shares issued in respect of the Arrangement and Commitment Fee Capital Increase were allotted as follows:

- Forjar Capital, S.L.U.: 2,430,556 shares of EUR 0.25 par value each.
- Solid Rock Capital, S.L.U.: 2,430,555 shares of EUR 0.25 par value each.

The Arrangement and Commitment Fee Capital Increase was approved by OHL shareholders at the Extraordinary General Meeting of 26 March 2021 and was implemented on 25 June 2021 after execution of the Cash Capital Increase deeds. The Amodio Investment Commitment and the Debt-Equity Swap deed were therefore satisfied in full.

iii. Amendments to terms and conditions of the Notes

As disclosed in the inside information notice of January 2021, the Restructuring involved amendments to the terms and conditions of the Notes, through a combination of:

i. debt write-off;
ii. a debt-equity swap of part of the principal of the Notes by means of a Debt-Equity Swap at a price of EUR 0.74 per share, as approved by OHL shareholders at the Extraordinary General Meeting of 26 March 2021; and
iii. replacement of the remaining Notes with New Notes after the debt write-off and debt-equity swap.

Debt-equity swap

After the implementation of the Cash Capital Increases, the Backstop Providers subscribed for all new shares issued in respect of the Debt-Equity Swap at a price of EUR 0.74 per share. The rate of exchange implies a 52.9% discount with respect to the net asset value of OHL shares at 31 March 2021 and an 18.12% increase with respect to the quoted share price on 1 June 2021 (EUR 0.63 per share). The New Shares issued in respect of the Debt-Equity Swap were allotted as follows:

a) 69.64% of the New Shares issued in respect of the Debt-Equity Swap were allotted to Sand Grove Capital Management LLP.[2] Therefore, this investor subscribed for 64,028,844 shares of EUR 0.25 par value each.
b) 18.91% of the New Shares issued in respect of the Debt-Equity Swap were allotted to Melqart Asset Management (UK) Ltd. Therefore, this investor subscribed for 17,383,446 shares of EUR 0.25 par value each.
c) 11.45% of the New Shares issued in respect of the Debt-Equity Swap were allotted to Searchlight Opportunities Fund GP, LP. Therefore, this investor subscribed for 10,525,410 shares of EUR 0.25 par value each.

The nominal amount of the New Shares issued in respect of the Debt-Equity Swap represented 13.36% of share capital (prior to implementation of the Restructuring).

The Debt-Equity Swap was approved by OHL shareholders at the Extraordinary General Meeting of 26 March 2021, and implemented only after completion of the Cash Capital Increases on 25 June 2021, followed by registration with the companies registry on 28 June 2021.

Principles of corporate governance

To be eligible to receive New Shares resulting from the Debt-Equity Swap (as defined below), each Option 2 Noteholder undertook, for a period of three (3) years after the Effective Date of the Restructuring (extensible in certain circumstances to three (3) additional years), for the benefit of the other shareholders of the Parent, to abstain from voting at any General Meeting of the Parent against proposals submitted by the Board of Directors of the Parent in the notice of such meeting, and to abstain from nominating a proprietary director, provided that certain conditions were satisfied. Such conditions concern compliance with a range of indicators relating to the Parent's finances and business performance, shareholder structure, membership of the Board, fulfilment of the Parent's obligations in respect of the New Notes, and absence of any material adverse change that might affect the Parent's business, the Parent's ability to perform its obligations under the terms of the New Notes, or the validity or enforceability of any guarantee or collateral.

[2] Through Sand Grove Opportunities Master Fund Ltd, Sand Grove Tactical Fund LP and Investment Opportunities SPC, on behalf of Investment Opportunities 2 Segregated Portfolio. Sand Grove Capital Management LLP acts as investment manager for these entities. Sand Grove Capital Management LLP is ultimately controlled by Simon Davies.

Terms and conditions of the New Notes

The key terms and conditions of the New Notes are:

a) Issuer of the New Notes

The issuer of the New Notes is OHL Operaciones, S.A.U. (**OHL Operaciones**).

b) Principal

The total principal of the New Notes is EUR 487,266,804. The New Notes are issued at a price of 100% of the principal.

c) Maturity

50% of the principal of the New Notes will mature on 31 March 2025 (the amount will be reduced by any redemptions or repurchases of New Notes before that date). The remaining principal of the New Notes will mature on 31 March 2026.

d) Interest rate

The New Notes bear interest at a nominal rate of 5.1% per annum, payable every six months on 15 March and 15 September of each year. The first interest payment date is 15 September 2021.

The New Notes also bear interest at a payment-in-kind (PIK) rate of 1.5% per annum until (but excluding) 15 September 2023. Thereafter the PIK rate will be 4.65%. On each interest payment date, PIK interest on the New Notes will be capitalised and added to the total outstanding principal of the New Notes. PIK interest may be increased by an additional 1% in the event of breach of specified limitations on provision of new guarantees, as described below. The IRR of the issue, including PIK, is 8.08%.

e) Early redemption

The New Notes may be redeemed early in part or in full at any time at the Issuer's discretion at 100% of the outstanding principal (excluding PIK interest not capitalised at the time of redemption) plus accrued unpaid interest (non-capitalised PIK interest would be payable in cash). In the event of partial redemption, the New Notes will be redeemed pro rata.

f) Guarantees

The New Notes are guaranteed on an unsubordinated basis by the Parent, OHL Holding and OHL Iniciativas, and by the Guarantors (the **"Personal Guarantees"**).

In addition, the New Notes are secured by collateral in the form of security interests, as described below, and further collateral currently pledged to secure the MSF, the CESCE Guarantee Facility, the ICO Financing and the guarantee and counter-guarantee agreement entered into with Crédit Agricole Corporate and Investment Bank, Sucursal en España, in the amount of USD 20 million (the "**Security Interests**" and, together with the "**Personal Guarantees**", the "**Guarantees**"):

- Pledge over shares in OHL Holding, OHL Iniciativas, 57 Whitehall Holdings, S.à r.l., OHL Central Europe, a.s., OHL Operaciones, Obrascón Huarte Laín Desarrollos, S.A.U., OHL Servicios Ingesan S.A., Cercanías Móstoles Navalcarnero, S.A. (in liquidation) and Pacadar S.A.U.
- Pledge over equity in OHL Industrial, S.L.U., OHL Construcción Internacional, S.L.U., Senda Infraestructuras, S.L. and Proyecto Canalejas Group, S.L.
- Pledge over the Parent's or any of its group companies' receivables (including claims arising from specified construction contracts, intragroup contracts, a dation in payment and debt acknowledgement contract and certain legal proceedings). Specifically, a pledge is granted over receivables arising from construction contracts of OHL or its branches relating to the "OHL Direct Business" of an amount exceeding EUR 400,000. Other receivables arising from specific contracts are also pledged.
- Pledge over claims on bank accounts.

The Guarantees and Security Interests are apportioned among the New Notes and other financial creditors of the Parent and will be subject to the terms of an Intercreditor Agreement with other financial creditors of the Parent.

The Intercreditor Agreement stipulates the ranking of noteholders' and banks' claims, the order of allocation of payments in relation to any proceeds obtained in a scenario of insolvency or from enforcement of personal guarantees and security interests provided for the benefit of such creditors, decision-making in relation to enforcement of such guarantees, and other key aspects of relations among creditors. Specifically, the Intercreditor Agreement sets out highly detailed rules on (i) allocation of payments in a distressed scenario, and (ii) allocation of payments in a non-distressed scenario, making provision for payment cascades in the light of restrictions on asset sales (a description of the rules is provided further below).

The Intercreditor Agreement was entered into by OHL and several subsidiaries of the Parent as debtors, and by the banks, the financing agent, the trustee (as representative of the holders of the New Notes), i.e., BNY Mellon Corporate Trustee Services Limited, and the collateral agent, i.e., Sanne Agensynd, S.L.U.

The borrowings and bank guarantees covered by the Intercreditor Agreement include: (i) the MSF (the syndicated guarantee facility of EUR 313,764 thousand originally extended on 30 December 2016), (ii) the CESCE Guarantee Facility (the syndicated guarantee facility of EUR 40,000 thousand extended on 15 January 2020); (iii) the ICO Financing (the bridge financing in an original amount of EUR 140,000 thousand extended on 30 April 2020); (iv) any new guarantee facilities (up to a maximum of EUR 200,000 thousand) entered into after the signing of the Intercreditor Agreement; and (v) the Bilateral Guarantee Facilities (i.e. the unsecured bilateral guarantee facilities entered into with banks prior to the signing of the Intercreditor Agreement).

As a rule, under the Intercreditor Agreement the debt obligations owed by any given Group member are ranked by priority for payment as follows:

I. first, (i) the MSF; (ii) the CESCE Guarantee Facility; (iii) the ICO Financing; (iv) any new guarantee facilities up to a maximum of EUR 200 million (the "**Super Senior Instruments**"); and
II. second, (i) the New Notes, and (ii) the existing bilateral guarantees (the "**Pari Passu Instruments**").

Pari Passu Instruments rank below, and are subordinated to, Super Senior Instruments.

By analogy, leaving aside specified exceptions under the Intercreditor Agreement, the personal guarantees and security interests secure the obligations of Group members in the following order:

I. first, the Super Senior Instruments; and
II. second, the Pari Passu Instruments.

The Intercreditor Agreement also governs relations of the noteholders and the banks among themselves and with the collateral agent, and specifies how instructions are to be given to the agent to enforce the guarantees and collateral.

g) Rank

The New Notes constitute direct, unconditional, unsubordinated obligations of OHL Operaciones and, without prejudice to the personal liability of OHL Operaciones under Article 1,911 of the Spanish Civil Code, are secured by the Guarantees. The New Notes will at all times rank pari passu without preference among themselves and, subject to the terms of the Intercreditor Agreement referred to above, at least pari passu with any other existing or future secured obligations of OHL Operaciones, except: (i) the MSF; (ii) the CESCE Guarantee Facility; (iii) the bridge financing agreement (ICO); (iv) any new guarantee facilities (up to a maximum of EUR 200,000 thousand) entered into after the signing of the Intercreditor Agreement; and (v) obligations that take priority under the law.

h) Covenants

The New Notes are subject to a range of other terms and conditions commonly applied to debt issues of this type, including restrictive obligations or "covenants".

The covenants affecting the New Notes include:

i. limitations on indebtedness by Group companies (indebtedness is capped at EUR 70,000 thousand; there is a potential increase of EUR 200,000 thousand in the MSF line up to a combined maximum of EUR 100,000 thousand in any reverse factoring line or EUR 50,000 thousand of additional recourse debt of subsidiaries if they are not guarantors);

ii. limitations on granting security interests;

iii. limitations on restricted payments by OHL Operaciones and its subsidiaries;

iv. limitations on asset sales;

v. reporting duties to holders of New Notes;

vi. obligations with respect to related-party transactions; and

vii. rules that allow the Parent to increase for a specific period (by signing up new guarantee facilities or increasing existing ones) its guarantee facilities, which would then benefit from the same collateral package as the New Notes.

Backstop Fee and Backstop Fee Capital Increase

The Backstop Providers, as consideration for undertaking the Backstop Commitment, exercising the Backstop Election and playing a role in support of the Restructuring, received the Backstop Fee, which was converted into new shares of the Parent through the Backstop Fee Capital Increase at a price of EUR 0.36 per share.

The Backstop Fee Capital Increase amounted to a cash total (nominal value plus premium) of EUR 3,402 thousand, with the issuance of 9,449,152 new OHL shares of EUR 0.25 par value each (the "**Backstop Fee Capital Increase New Shares**"), and was apportioned among the Backstop Providers as follows (under an agreement between OHL and the Backstop Providers):

69.64% of the Backstop Fee Capital Increase New Shares were allotted to Sand Grove Capital Management LLP. As a result, this investor was entitled to convert EUR 2,369 thousand into 6,580,743 shares of EUR 0.25 par value each.

18.91% of the Backstop Fee Capital Increase New Shares were allotted to Melqart Asset Management (UK) Ltd. Therefore, this investor was entitled to convert EUR 643 thousand into 1,786,631 shares of EUR 0.25 par value each.

11.45% of the Backstop Fee Capital Increase New Shares were allotted to Searchlight Opportunities Fund GP, LP. Therefore, this investor was entitled to convert EUR 389 thousand into 1,081,778 shares of EUR 0.25 par value each.

The increase in the Backstop Fee was approved at the Extraordinary General Shareholders' Meeting of OHL held on 26 March 2021 and implemented after the Debt-Equity Swap was concluded and completed on 25 June 2021 and placed on file with the companies registry on 28 June 2021.

Simultaneous implementation of the Capital Increases

All the Capital Increases were part of the Restructuring and were implemented simultaneously in compliance with the agreed terms of the Restructuring. Since the Private Placement was fully subscribed and raised EUR 36,400 thousand, 304,576,294 New Shares were issued in total.

iv. Hive-Down

To bring the structure of guarantees and collateral created for the benefit of the holders of New Notes into alignment with the Lock-Up Agreement, the Group undertook to implement a hive-down after the Effective Date of the Restructuring. A substantial portion of the Group's business will in future be carried on by OHL Operaciones, to which OHL will transfer its key subsidiaries (the "**Hive-Down**"). The terms of implementation of the Hive-Down are set out in the "**Hive-Down Principles**", which form part of the Lock-Up Agreement and were attached to the trust deed executed in connection with the New Notes.

The Hive-Down was approved by OHL shareholders at the Extraordinary General Meeting of 26 March 2021.

The Hive-Down involves the transfer of certain core assets by the Parent to OHL Operaciones, S.A., a newly formed subsidiary domiciled in Spain that will be indirectly wholly owned by OHL S.A. Later, the Parent will transfer its shares in OHL Operaciones, S.A. to a number of intermediate holding companies. Specifically, two newly formed companies resident in Luxembourg (OHL Holding and OHL Iniciativas) will be interposed between the Parent and OHL Operaciones. Pledges will be granted over shares in the new companies for the benefit of holders of New Notes and creditors under the bridge financing agreement (ICO) and the Guarantee Facilities. The new corporate structure optimises the effectiveness of the guarantees that will be provided to secure OHL's obligations in respect of the New Notes. This approach is common practice in financial restructuring and has been applied recently to similar situations in Spain and other European jurisdictions.

The bridge financing (ICO) and the existing guarantee facilities originally extended to the Parent (i.e., the MSF and the CESCE Guarantee Facility) will also be transferred to OHL Operaciones after the Restructuring.

Assets within the scope of the Hive-Down

The Hive-Down will involve the following transfers: (i) transfer from the Parent to OHL Operaciones, in one or more transactions, of the following assets (the "**Hive-Down Assets**"): (A) the shares or equity interests held by the Parent in the Group's five main holding companies (OHL Desarrollos, S.A.U., OHL Industrial, S.L.U., OHL Servicios-Ingesan, S.A.U., OHL Construcción Internacional, S.A.U. and Senda Infraestructuras, S.L.U.), which will also entail indirect transfer of the holding companies' investees, and (B) the shares or equity interests held directly by the Parent in certain other entities; and (ii) transfer from the Parent of its shares in OHL Operaciones to OHL Holding (wholly owned by the Parent) and, subsequently, transfer from OHL Holding of its shares in OHL Operaciones to OHL Iniciativas (wholly owned by OHL Holding).

After the Hive-Down, OHL (the Parent) will continue to carry on its current business directly or through its foreign subsidiaries, i.e., the "OHL Direct Business" (which accounted for 21.3% of the Group's revenue at 31 December 2020 at the consolidated level), subject to a number of exceptions (from the Effective Date of the Restructuring to the maturity of the New Notes, OHL must use its best efforts to ensure that any contract arising from new business opportunities for the Group is entered into directly by OHL Operaciones or by one of its group companies that is qualified to enter into contract with Spanish government bodies ("**Qualified Entities**"). However, if there is a risk that the Group would pass up a business opportunity if it were to proceed in this way, the Parent may enter into the relevant contract, provided that it uses its best efforts to see that a Qualified Entity also signs the contract). After the Hive-Down is implemented, the group headed by OHL Operaciones, S.A.U. is expected to generate close to 80% of Group revenue at any given time.

Timing of the Hive-Down

After the Effective Date of the Restructuring, the **first phase of the Hive Down** was completed with the contribution by the Parent to OHL Operaciones of the following assets: OHL Desarrollos, S.A.U., Senda Infraestructuras, S.L.U., Aeropistas, S.L., Agrupación Guinovart Obras y Servicios Hispania, S.A., Asfaltos y Construcciones Elsan, S.A., Cercanías Móstoles Navalcarnero, S.A., Construcciones Adolfo Sobrino, S.A., Construcciones Colombianas OHL, S.A.S., OHL Infraestructuras S.A.S. and S.A. Trabajos y Obras. Next, the Parent contributed its shares in OHL Operaciones to OHL Holding and, subsequently, OHL Holding its shares in OHL Operaciones to OHL Iniciativas.

Transfer from the Parent to OHL Operaciones of the remaining Hive-Down Assets will take place as and when it receives applicable authorisations and consent from relevant Group counterparties.

Terms of implementation of the Hive-Down

As set out in the trust deed, OHL has assumed a range of obligations in connection with the implementation of the Hive-Down.

The Parent must use all reasonable efforts to transfer, as soon as practicable after the Effective Date of the Restructuring, all the Hive-Down Assets to OHL Operaciones in accordance with the Hive-Down Principles and the "Hive-Down Implementation Paper" (a document delivered by OHL to the Noteholders on the Effective Date of the Restructuring that specifies the actions required for the Hive-Down to be implemented). The Group must comply with a range of obligations in connection with the Hive-Down:

- from the Effective Date of the Restructuring to the maturity of the New Notes, OHL must use its best efforts to ensure that any contract arising from new business opportunities for the Group is entered into directly by OHL Operaciones or a Qualified Entity, subject to the exceptions referred to above, and must ensure that the OHL Operaciones company group has at least one Qualified Entity as a member at all times;
- the Parent must ensure that OHL Operaciones group entities can avail themselves of all resources (including employees, IT equipment and admin systems) required for the business continuity of the OHL Operaciones group of companies;
- the Parent must use its best efforts to ensure that one year after the Effective Date of the Restructuring and up until the maturity of the New Notes the revenue generated by OHL Operaciones group companies accounts for at least 80% of total Group revenue as at the date of the latest financial statements at the given time (the "**Revenue Threshold**") (subject to certain provisions that allow some leeway[3]). A breach of the Revenue Threshold will be tantamount to a breach under the terms of the New Notes, subject to a three-month remediation period;
- cash generated by the OHL Direct Business (i.e., the construction business now carried on directly through Obrascón Huarte Laín, S.A. (or its foreign subsidiaries)) and cash arising from any factoring transaction in connection with contracts within the OHL Direct Business must, as soon as practicable after payment of ordinary business expenses, be transferred to the centralised accounts of the Parent or of OHL Operaciones;
- subject to certain conditions, the Parent must use its best efforts to transfer its treasury function within the Group to OHL Operaciones as soon as practicable. the Parent must ensure in any event that before the Hive-Down deadline (i.e., two and a half years after the Effective Date of the Restructuring) (the "**Hive-Down Deadline**"), the Group treasury function has been transferred to OHL Operaciones;
- as from the Effective Date of the Restructuring and up until migration of the Group treasury function from the Parent to OHL Operaciones, the Parent must satisfy a range of requirements to ensure that Group cash held in its centralised accounts remains below specified ceilings, and that, to comply with such ceilings, monies are transferred as required to OHL Operaciones group entities;

3 The Revenue Threshold will be subject to the following leeway: (i) leeway of 8%, provided that the total revenue generated by the OHL Operaciones group combined with revenue generated by construction contracts within the OHL Direct Business pledged for the benefit of noteholders and any proceeds received by OHL Operaciones group entities under any contracts that are terminated and were being performed by such entities (collectively, the "**Total Revenue Coverage**") account for less than 85% of the Group's total revenue; and (ii) leeway of 16% if the Total Revenue Coverage is equal to or greater than 85% of the Group's total revenue.

- on the Effective Date of the Restructuring, the Parent provided a number of pledges for the benefit of New Note holders (in accordance with the Intercreditor Agreement) relating to receivables arising from specified construction contracts within the scope of the OHL Direct Business, and other assets; and
- the Parent must keep the advisers of the Ad Hoc Group informed as to the implementation of the Hive-Down in accordance with the Hive-Down Principles and the terms agreed with Noteholders under the Hive-Down Implementation Paper.

Those undertakings and others given by the Parent in connection with the Hive-Down are subject to certain exceptions.

v. Court sanction (*homologación judicial*) of the Restructuring

After the Effective Date of the Restructuring, on 5 July 2021 OHL sought approval of the Restructuring by the Spanish courts by means of the execution of the Restructuring Master Agreement, in order to: (i) secure protection against potential termination actions in the event of insolvency of OHL or another Group company in accordance with Article 698 of the Spanish Insolvency Act ("TRLC"); and (ii), under the Restructuring, by virtue of a partial swap of claims against OHL into equity, engage the exception under Article 283(2) TRLC, whereby the Backstop Providers are characterised as non-related parties of the insolvent entity - consequently, their claims are not subordinated under Article 281 TRLC. (For the purposes of characterisation of claims, under Article 283(2) "related party" status does *not* apply to: creditors who directly or indirectly exchange for equity all or part of their claims under a refinancing transaction adopted in accordance with TRLC or an out-of-court payment agreement or an insolvency agreement, even if by reason of the debt-equity swap they become directors or managers of the debtor). As all creditors that would be affected by the court sanction are parties to the Master Restructuring Agreement, court sanction is not necessary to bind dissenting creditors.

By means of the Scheme procedure, the Noteholders approved - with an affirmative vote by the required majorities - the refinancing in England, subject to English law. Moreover, the parties agreed to submit the refinancing documents to the rules under Articles 605 *et seq* of the TRLC to achieve the irrevocability of the documents, transactions, acts and payments therein provided for and attract application of the rules of Article 698 of the TRLC.

The Scheme and the Restructuring are not themselves subject to any court sanction, but, if no court sanction is achieved before 15 October 2021 (or such later date as the Parent may agree with the banks, which in no event may be later than 15 January 2022), there would be a breach of the terms of the New Notes. However, even if a breach arises in that connection, the validity of the Scheme and the Restructuring would be unaffected.

On 18 October 2021, the court sanction of the Restructuring was issued by Madrid Commercial Court No. 2.

2.9.8. Financial impact and accounting treatment

On completion of the Restructuring, the **Capital Increases** finally carried out by the Parent, as described in the previous section, were as follows:

i. **Rights issue** for a cash amount of EUR 34,998 thousand, with an issue price of EUR 0.36 per share (EUR 0.25 nominal and EUR 0.11 share premium). Despite the Amodio Shareholders' commitment to subscribe for any otherwise unsubscribed shares, this was not needed as the placement was oversubscribed.

ii. **Private Placement** for a cash amount of EUR 36,400 thousand, with an issue price of EUR 0.36 per share (EUR 0.25 nominal and EUR 0.11 share premium), paid by the Amodio Shareholders and Tyrus in line with their investment commitment.

iii. **Debt-Equity Swap** for a cash amount of EUR 68,033 thousand, with an issue price of EUR 0.74 per share (EUR 0.25 nominal and EUR 0.49 share premium).

iv. **Arrangement and Commitment Fee Capital Increase** for the Amodio Shareholders' investment commitment for a cash amount of EUR 1,750 thousand and an issue price of EUR 0.36 per share (EUR 0.25 nominal and EUR 0.11 share premium).

v. **Backstop Fee Capital Increase.** The cash amount of the fee was EUR 3,402 thousand, with an issue price of EUR 0.36 per share (EUR 0.25 nominal and EUR 0.11 share premium).

The following table provides a breakdown of these transactions, including the number of shares issued:

Increase	Cash amount	Nominal amount	Share premium	No. of shares
Rights issue	34,998,199	24,304,305	10,693,894	97,217,220
Private placement	36,400,000	25,277,778	11,122,222	101,111,111
Debt-equity swap	68,033,898	22,984,425	45,049,473	91,937,700
Arrangement and commitment fee capital increase	1,750,000	1,215,278	534,722	4,861,111
Backstop fee capital increase	3,401,695	2,362,288	1,039,407	9,449,152
TOTAL	**144,583,792**	**76,144,074**	**68,439,718**	**304,576,294**

Monetary units (EUR)

Regarding the **debt renegotiation**, as described in the previous section, the noteholders under the Lock-up Agreement could choose between two options (the "Scheme Election Process"), opening an accession period. Those failing to notify their election before the deadline were assigned Option 1.

The following table sets out the final summary of the transaction, with a breakdown of the nominal amount swapped for the new notes:

	New notes	Debt-equity swap	Write-off	Nominal amount swapped
Backstop Providers (38.25%)	158,745,762	68,033,898	-	226,779,660
Other (61.75%)	328,521,042	-	37,587,298	366,108,340
TOTAL	**487,266,804**	**68,033,898**	**37,587,298**	**592,888,000**

Monetary units (EUR)

The carrying amount of the original debt was EUR 589,943 thousand, with around EUR 2,945 thousand of arrangement expenses outstanding. These expenses will be recognised in profit or loss at the time of the exchange.

Accounting treatment of the operation

After analysing the accounting treatment of the Notes and based on IFRS 9 and IFRIC 19, the Group concluded that the terms of the debt have been **substantially modified** considering the terms and conditions of the new debt. Therefore, it has accounted for the modification as an extinguishment of the original liability at its carrying amount and recognised the new Notes and shares at their fair value at the time of the swap, recognising the difference between the two amounts and the expenses related to the note refinancing in profit or loss.

A key feature of the qualitative assessment was the consideration of the **guarantees** of the **new debt**, as:

- The notes swapped were unsecured.
- The New Notes were secured with security interests and personal guarantees affecting most of the Group's assets, affording advantages in the case of default (see terms and conditions of the New Notes above).

The accounting impact of the Restructuring is described below, considering a substantial modification of the debt and based on the following:

i. **Share price** of **EUR 0.636 per share** at the close of the first day of trading following the capital increases.
ii. **Fair value of the New Notes at 89.26%** at the time of the swap calculated using a model built to estimate the fair value of the notes according to the principles outlined in IFRS 13 and factoring in the following:

    - the absence of an active market for the notes, which means the trading price is only indicative and not reliable for the calculations used to account for the new debt.
    - Lower credit risk for the guarantees extended.
    - Cash injection via the Cash Capital Increases.
    - Extension of maturity from 1-2 years to a new maturity at 5 years.
    - Increase in investor return, mainly for the PIK interest of 1.5% until 15 September 2023 and 4.65% thereafter. On each interest payment date, PIK interest on the New Notes will be capitalised and added to the total outstanding principal of the New Notes.
    - OHL's estimated credit rating post-agreements, the obligations of peers, estimations of CDS, etc.

The accounting impact of the Restructuring on the various statement of financial position line items is as follows:

ASSETS	EUR thousand
Cash and cash equivalents	50,236
Total current assets	**50,236**
Total assets	**50,236**
EQUITY AND LIABILITIES	**EUR thousand**
Share capital	76,144
Share premium	62,828
Reserves	(9,102)
Profit/(loss)	75,375
Equity	**205,245**
Issue of notes and other marketable securities	(155,009)
Total liabilities	**(155,009)**
Total equity and liabilities	**50,236**

Cash and cash equivalents increased by EUR 50,236 thousand for the EUR 71,398 thousand Cash Capital Increases and decreased by EUR 21,162 thousand for the costs related to the New Notes.

Equity increased by **EUR 205,245** thousand, as a result of:

- **Cash Capital Increases** of EUR 71,398 thousand, of which EUR 49,582 thousand was recognised in share capital and EUR 21,816 thousand in the share premium account.
- Measurement of equity instruments delivered for the **Debt-Equity Swap** taking the closing price on the first day of trading on the continuous market after the date the Restructuring became effective and the liability was cancelled, of EUR 0.636 per share. Applying this amount to the 91,937,700 shares issued in the Debt-Equity Swap, the fair value of the shares recognised was EUR 22,984 thousand in share capital and EUR 35,488 thousand in share premium.

- Measurement of equity instruments delivered in the **conversion to equity of the fees**, also applying a price of EUR 0.636 to each share of the 14,310,263 shares issued in this connection, led to the recognition at fair value of the shares of EUR 9,102 thousand, of which EUR 3,577 thousand was recognised in share capital and EUR 5,525 thousand in share premium. These fees were also considered expenses related to the other capital increases and recognised directly in equity, with no impact on profit or loss.

- **Increase in profit for the period** for the difference between the carrying amount of the debt cancelled and the fair value of the new Notes and shares of EUR 96,537 thousand. Also included were refinancing costs related to the new debt of EUR 21,162 thousand.

Decrease in debt securities, with the derecognition of the original debt at amortised cost of EUR 589,943 thousand and **recognition of a new liability at fair value of EUR 434,934 thousand**. The measurement of the new liability was based on a fair value of the Notes of 89.26%, as explained previously.

The recognition of the new liabilities at fair value is irrespective of the payment obligations of the New Notes, with a nominal amount of EUR 487,267 thousand.

2.10.- Changes in the scope of consolidation

Appendices I and II to the consolidated financial statements for the year ended 31 December 2020 provide relevant information about fully consolidated Group companies and investees accounted for using the equity method.

Changes in the scope of consolidation as at 31 December 2021:

Inclusions	No. of companies
Full consolidation	17
Equity method	1
Total inclusions	**18**

Exclusions	No. of companies
Full consolidation	8
Equity method	8
Total exclusions	**16**

Among inclusions:

- In February 2021 the Group acquired control of Pacadar Group via the dation in payment of debt of 100% of Pacadar, S.A. shares. This resulted in the inclusion in the scope of consolidation of its 12 companies. Their core business is the design, calculation, manufacture, transport and assembly of precast concrete elements.
- Also in 2021, three companies were incorporated to carry out the Restructuring: OHL Operaciones, S.A. (Spanish); and OHL Iniciativas, S.à.r.l and OHL Holding, S.à.r.l. (Luxembourger).

The main exclusions were:

- Nuevo Hospital de Toledo, S.A. and its operator Mantholedo, S.A.U. following the sale of the Group's ownership interests (see Note 3.5) in April 2021.
- Five companies following the sale of the Group's 49% stake in the Old War Office project (see Note 3.5) in June 2021.
- The 65% stake in Sociedad Concesionaria Aguas de Navarra, S.A. and 30% stake in Navarra Gestión del Agua S.A. from the sale by the Group to Impact Navarra S.R.L.U. in October 2021. The selling price, which included a value allocated to the shares and the payment of subordinated debt and other receivables, was EUR 25,969 thousand, which was collected in full on the date of sale. The gain on the disposal amounted to EUR 7,699 thousand (see Note 3.19).

Pacadar Group purchase price allocation

Once all the conditions precedent of the dation in payment and the acknowledgement of debt agreement entered into on 27 December 2020 between OHL, GVM and IESA and novated on 5 February 2021 were met on 24 February 2021, the fair value of the consideration transferred based on independent expert reports assessed and endorsed by the Group's Board of Directors gave an enterprise value of EUR 94,328 thousand (EUR 53,769 thousand for the value of the shares and EUR 40,559 thousand for total facilities granted).

Breakdown of the value of the assets acquired and the liabilities assumed of Pacadar Group at the date control was obtained.

Fair value	EUR thousand
Intangible assets (portfolio)	14,320
Property, plant and equipment	77,367
Other non-current assets	6,131
Non-current assets	97,818
Current assets	10,893
Total assets	**108,711**
Deferred tax liabilities	14,712
Other non-current liabilities	11,624
Non-current liabilities	26,336
Current liabilities	58,848
Total liabilities	**85,184**
Acquisition cost	**53,769**
Goodwill	**30,242**

In accordance with IFRS 3, an assessment was made of the fair value of the assets acquired and the liabilities assumed for the purchase price allocation. Based on this assessment, the Group recognised an increase in the value of property, plant and equipment of EUR 41,362 thousand, an intangible asset of EUR 13,939 thousand for the values attributed to the customer portfolio and a deferred tax liability of EUR 13,825 thousand for the tax effect of these two adjustments.

The amount of the purchase price allocation is provisional, although the Group's directors do not expect any material changes.

Pacadar Group contributed revenue of EUR 29,249 thousand and a loss of EUR 6,855 from the date of acquisition until 31 December 2021. The amount of the loss does not consider depreciation and amortisation charge for the period because of the higher amount allocated to its assets.

The Group tested the investment for impairment at 31 December 2021, by comparing the carrying amount with Pacadar Group's updated business model. This did not give rise to any adjustment (see Note 3.1.1, 3.1.2 and 3.3).

3. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

3.1.- Intangible assets and property, plant and equipment:

3.1.1. Intangible assets

This item includes mainly the amounts allocated in the consolidation of the customer portfolio and the backlog of acquirees in the US, for a net amount at 31 December 2021 of EUR 139,313 thousand (31 December 2020: EUR 147,767 thousand).

An intangible asset identified in the Pacadar Group business combination was included in the year (see Note 2.10).

The impairment tests carried out in 2021 did not reveal any indications of impairment of those assets.

3.1.2. Property, plant and equipment

This item includes net right-of-use assets arising from the recognition of leases amounting to EUR 39,150 thousand at 31 December 2021 (2020: EUR 36,637 thousand).

After obtaining control of Pacadar Group (see Note 2.10), the Group recognised the addition of land and buildings, machinery, technical installations and other property, plant and equipment to the scope of consolidation.

3.2.- Concession infrastructure

The breakdown by company of the carrying amount of "Concession infrastructure" at 31 December 2021 and 2020 is as follows:

	EUR thousand	
	31/12/2021	31/12/2020
Intangible asset model		
Sociedad Concesionaria Aguas de Navarra, S.A.	-	12,942
Marina Urola, S.A.	643	733
Other	35	37
Total intangible asset model	678	13,712
Financial asset model		
Sociedad Concesionaria Aguas de Navarra, S.A.	-	61,417
Total financial asset model	-	61,417
Total	**678**	**75,129**

The Group sold Sociedad Concesionaria Aguas de Navarra, S.A., which explained the reduction in the balance of this item compared to 31 December 2020 (see Note 2.9).

3.3.- Goodwill

Set out below is the reconciliation of the carrying amount of goodwill at 31 December 2021 and 31 December 2020:

Companies giving rise to goodwill	EUR thousand	
	31/12/2021	31/12/2020
Agrupación Guinovart Obras y Servicios Hispania, S.A.	2,492	2,492
Construcciones Adolfo Sobrino, S.A.	3,408	3,408
EyM Instalaciones, S.A.	99	99
Inizia Networks, S.L.	358	-
Pacadar, S.A.U. and subsidiaries	30,242	-
OHL Servicios – Ingesan, S.A.U.	399	399
Total	**36,998**	**6,398**

The Group obtained control of the Pacadar subgroup following execution of the dation in payment and debt recognition agreement entered into between the Parent, Grupo Villar Mir, S.A.U., and Inmobiliaria Espacio S.A.U. The terms of this agreement included control of 100% of Pacadar, S.A. shares.

During the year, it carried out the purchase price allocation for certain assets and liabilities identified in the acquirees, resulting in a difference between the fair value of the net assets acquired and acquisition cost of EUR 30,242 thousand.

The recoverable amount of Pacadar Group as at 31 December 2021 was calculated using a discounted cash flow model. Comparison between the recoverable amount and the carrying amount did not give any indication of impairment.

For the performance of the impairment test, the Group considered projections based on estimated revenue and margins from the portfolio and backlog, discounting the free cash flows at a weighted average cost of capital of 8.5% and growth in perpetuity or long-term growth rate of 1.9%.

3.4.- Financial assets

Investment securities

Investment securities at 31 December 2021 and 2020:

	EUR thousand			
	31/12/2021		31/12/2020	
	Non-current	Current	Non-current	Current
Held-to-maturity securities	1,168	50,986	279	45,132
Available-for-sale securities	60,172	3	63,897	3
Subtotal	61,340	50,989	64,176	45,135
Provisions	(15,921)	-	(3,928)	-
Total	**45,419**	**50,989**	**60,248**	**45,135**

The amounts of investment securities classified as current relate primarily to debt securities of the Group's US subsidiaries, of which EUR 50,830 thousand are earmarked as performance bonds for certain projects being executed.

“Provisions” includes the estimated impairment losses required to write down the carrying amount of the investment securities to their fair value.

"Available-for-sale securities" at at 31 December 2021 included mainly the amount of the investment in Cercanías Móstoles Navalcarnero, S.A., which is in liquidation, for EUR 44,193 thousand.

Other receivables and deposits and guarantees given

The breakdown by item is as follow:

	EUR thousand			
	31/12/2021		31/12/2020	
	Non-current	Current	Non-current	Current
Other receivables	142,039	150,532	243,063	14,701
Deposits and guarantees given	9,569	146,622	8,910	148,380
Impairment losses	(33,388)	(13,362)	(5,322)	(13,311)
Total, net	**118,220**	**283,792**	**246,651**	**149,770**

Impairment losses are recognised where there is risk of collection of loans granted to other companies.

At 31 December 2021, "Other receivables" and "Deposits and guarantees given" included mainly:

1) A profit participating loan of EUR 18,587 thousand to Aeropistas, S.L. and Autopista Eje Aeropuerto Concesionaria Española, S.A. The recovery of this investment is contingent on the success of the appeal for judicial review filed by the insolvency practitioners of the investees with the Supreme Court against the resolution issued by the Spanish Cabinet on 26 April 2019 (see Note 4.3.2.2).

2) Loans granted to concession operator Cercanías Móstoles Navalcarnero, S.A. for EUR 125,879 thousand and EUR 15,865 thousand.

3) Loans granted to assets for EUR 52,585 thousand, primarily the subordinated debt of the Canalejas Project.

4) Lastly, "Current financial assets - Deposits and guarantees given" includes a deposit of EUR 140,000 thousand securing the guarantee facility of EUR 313,764 thousand included in the Multiproduct Syndicated Facilities Agreement. This agreement (the MSF), initially arranged in December 2016, has been novated several times. The latest novation was made under the scope of the restructuring. The facility currently matures on 28 June 2022, provided that certain contractual terms and conditions are met.

Other loans related to concession operator Cercanías Móstoles Navalcarnero were reclassified from non-current to current given the outlook for imminent receipt after the agreements with and payments made by the Madrid regional government to CEMONASA (see Note 4.3.2.2 and following section).

Cercanías Móstoles Navalcarnero, S.A.

The Madrid regional government (the "CAM") issued several decisions in 2021 related to this concession operator, whereby the operator received amounts owed, as follows:

i. On 4 August 2021, the CAM paid a total amount of EUR 18,285 thousand for unduly enforced guarantees, plus late payment interest.
ii. On 28 December 2021, the CAM paid EUR 123,390 thousand (plus VAT) and EUR 39,106 thousand of late payment interest for settlement of the design, construction and operation of the public works for the new railway line between Móstoles Central and Navalcarnero contract.

In August 2021, the concession operator paid OHL, S.A., through its insolvency administrator, EUR 18,000 thousand out of this total of EUR 180,781 thousand to cancel basic loans included in the insolvency estate (credit claims and other receivables). It used the rest to pay third parties, in order , applying the remaining amounts to other payments to third parties, according to their ranking by priority for payment.

The concession operator retained other amounts received. As a result, the Group reclassified to current financial assets the receivables it expected to be paid, which it received in January 2022.

In January 2022, the Group received EUR 160,155 thousand for the basic loan due to claims related to projects, receivables for guarantees and a profit participating loan. It was paid other smaller amounts, totalling EUR 1,646 thousand, related to invoices paid by OHL, S.A. on behalf of CEMONASA.

As at 31 December 2021, the carrying amount of this investment, including the value of the equity interest and other receivables, was EUR 185,938 thousand (2020: EUR 203,574 thousand).

Considering how this lawsuit is unfolding, with considerable amounts received in 2021 and claims still in progress in the courts for uncollected amounts on supplementary work executed, the directors consider the carrying amount recognised at 31 December 2021, and the resulting carrying amount at January 2022 after the amounts collected, to be recoverable.

3.5.- Joint arrangements

3.5.1. Investments accounted for using the equity method

The following table shows investments accounted for using the equity method at 31 December 2021 and 2020:

Companies	EUR thousand	
	31/12/2021	31/12/2020
Joint ventures		
Constructora Vespucio Oriente, S.A.	3,624	2,156
Nova Dársena Esportiva de Bara, S.A.	8,330	9,807
NCC - OHL Lund-Arlöv, fyra spar Handelsbolag	3,870	2,366
Rhatigan OHL Limited	1,266	1,616
Other	630	11,675
Associates		
Alse Park, S.L.	2,301	974
Health Montreal Collective Limited Partnership	-	5,675
Nuevo Hospital de Toledo, S.A.	-	19,157
Proyecto Canalejas Group, S.L.	146,137	145,807
57 Whitehall Holdings S.A.R.L.	-	98,683
Other	1,063	(2,810)
Total	**167,221**	**295,106**

The most significant asset is:

Canalejas (Proyecto Canalejas Group S.L.)

OHLA Group held an ownership interest of 50.0% in this project at 31 December 2021, with a carrying amount of EUR 146,137 thousand. It also held a receivable for the subordinated debt of EUR 52,108 thousand recognised as a non-financial asset under other loans.

Covid-19 is still having a significant effect on the project. The Four Seasons Hotel was clearly affected by the travel restrictions in place in the first half of 2021, especially on international travel. Although this kept occupancy down at the hotel, it did not keep the hotel from becoming one of Madrid's top luxury hotels.

Marketing for the Canalejas Gallery was delayed because of Covid-19, but significant progress was made in 2021. Agreements were entered into with some of the leading international luxury brands. The Canalejas Gallery will have two different areas, one for restaurants, which opened to the public in December 2021, and one for fashion and high-end accessories, which is scheduled to begin operating in the first half of 2022. This is not counting the Hermes store, which opened to the public in October 2020, and the Cartier shop, which opened in November 2021.

The Gallery's opening and gradual return to normality thanks to the vaccinations should help the project's value recover in the medium term.

However, the higher investments and costs incurred, coupled with the project's lower profitability, due mostly to the delay in the opening of the shopping centre, resulted in a write-down of EUR 14,543 thousand as at 31 December 2021 (see Note 3.19).

On 12 April 2021, the Group sold its **33.34% ownership interest in Nuevo Hospital de Toledo, S.A. and its wholly owned operator, Mantohledo,** S.A.U. to Dutch company Guadiana Holding B.V. The decision was disclosed to the market on 23 November 2020. The transaction price, which included both shares and the assignment of receivables, was set at EUR 74,603 thousand. Payment was received in full at signing of the agreements. The proceeds recognised by the Group from the sale less transaction costs totalled EUR 46,861 thousand.

On 24 June, the Group disclosed to the market that Obrascón Huarte Lain Desarrollos, S.A.U. had sold its 49% interest in the **Old War Office project** in London through 57 Whitehall Holdings S.à.r.l. and its 50% stake in developer Westminster Development Services Limited to Hinduja Group, its partner in the project. The selling price was GBP 84,396 thousand, of which GBP 15,000 thousand was received on the date of the transaction and a further GBP 15,000 thousand in December. The remainder was deferred and will be received in accordance with the terms of the agreement. The outstanding balance at 31 December 2021 was GBP 54,396 thousand.

The impact on profit or loss of the transaction was immaterial, as the investment at year-end 2020 was recognised at its carrying amount based on the purchase offers received.

The Group's share of net profit of joint ventures at 31 December 2021 amounted to EUR 45 thousand.

It's share of net losses of associates at 31 December 2021 amounted to EUR 2,748 thousand.

3.5.2. Joint operations

The Group undertakes certain of its business activities through participation in contracts executed jointly with other non-Group venturers, mainly through temporary business associations ("UTEs") and other similar entities, which are accounted for in the Group's interim condensed consolidated financial statements using proportionate consolidation.

No joint operation individually is material with respect to the Group's assets, liabilities and profit or loss.

3.6.- Non-current assets/liabilities held for sale

The Group entered into an agreement to sell its shares representing a 25% stake in concession operator Centre Hospitalier de l'Université de Montréal (CHUM) to BBGI Group. The transaction includes the sale of OHLA Group's subordinated loan to the concessionaire.

As at the reporting date, the transaction was contingent on securing authorisations and compliance with standard terms for this type of transaction. In accordance with IFRS 5, the assets and liabilities allocated to the sale were reclassified to non-current assets/liabilities held for sale at their carrying amount, as it was lower than fair value less costs of disposal.

Composition of assets and liabilities classified as held for sale by nature as at December 2021:

	EUR thousand
Assets held for sale	**31/12/2021**
Other non-current receivables	29,660
Investments accounted for using the equity method	2,853
Other receivables	1
Other current assets	1
Non-current assets held for sale	**32,515**
Liabilities held for sale	**31/12/2021**
Trade and other payables	8
Other current liabilities	1
Liabilities associated with non-current assets held for sale	**9**

3.7.- Trade and other receivables

Trade receivables

The reconciliation of the carrying amount this item at 31 December 2021 and 2020 is as follows:

	EUR thousand	
	31/12/2021	31/12/2020
Trade receivables		
Amounts to be billed for work or services performed	418,876	368,292
Progress billings receivable	480,478	484,373
Retentions	124,160	124,732
Trade notes receivable	3,064	234
Subtotal	1,026,578	977,631
Advances from customers	(424,525)	(417,146)
Total net of advances	602,053	560,485
Provisions	(103,348)	(98,026)
Total, net	**498,705**	**462,460**

At 31 December 2021, the balance of trade receivables was reduced by EUR 53,508 thousand (2020: EUR 43,349 thousand) as a result of trade receivables factored to banks. Since these factoring arrangements are without recourse in the event of non-payment, they are treated as a reduction of trade receivables.

Other receivables

The reconciliation of the carrying amount this item at 31 December 2021 and 2020 is as follows:

	EUR thousand					
	31/12/2021			31/12/2020		
	Gross balance	Impairments	Net balance	Gross balance	Impairments	Net balance
Receivable from associates	112,219	(3,039)	109,180	134,521	(1,014)	133,507
Employee receivables	1,160	-	1,160	931	-	931
Tax receivables	85,743	-	85,743	77,368	-	77,368
Other receivables	78,001	(6,872)	71,129	47,159	(10,074)	37,085
Total	**277,123**	**(9,911)**	**267,212**	**259,979**	**(11,088)**	**248,891**

Balances receivable from associates relate mainly to transactions carried out in the ordinary course of the Group's business, which are conducted at arm's length.

The net balance of other receivables at 31 December 2021 and 2020 relates to the rendering of services and the lease of machinery and materials.

3.8.- Other current assets

The balance of this item at 31 December 2021 stood at EUR 48,025 thousand (2020: EUR 128,731 thousand).

The difference was mostly due to execution of the dation in payment and debt recognition agreement entered into between the Parent, Grupo Villar Mir, S.A.U., and Inmobiliaria Espacio, S.A.U., which was completed on 24 February 2021, as disclosed to the market by the Parent that day. All the conditions precedent of the agreement were met.

Other current assets at 31 December 2020 included balances with related parties, the most important of which were:

- A nominal amount of EUR 91,611 thousand relating to a receivable from Grupo Villar Mir, S.A.U. (“GVM”), and
- A receivable with a nominal amount of EUR 38,874 thousand and another of EUR 1,685 thousand with Pacadar, S.A.

The following transactions were recognised under scope of this agreement:

- The dation in payment to the Parent of all the shares of Pacadar, whose sole shareholder was GVM. The fair value of the consideration transferred based on independent expert reports gave an enterprise value of EUR 94,328 thousand (EUR 53,769 thousand for the value of the shares and EUR 40,559 thousand for total facilities granted).
- The dation in payment of shares of Alse Park, S.L. representing 32.5% of its share capital held by GVM. The value assigned to these shares was EUR 1,600 thousand determined based on a valuation report issued by an independent expert.
- Recognition of a receivable from GVM to the Parent, net of impairment, of EUR 2,068 thousand. The Group recognised impairment on this investment of EUR 35,596 thousand at year-end 2020 after estimating the recoverable amount of the receivable based on fair value of the existing guarantees.

As a result, the Parent's directors estimate that recoverable amount approximates carrying amount.

3.9.- Cash and cash equivalents

"Cash and cash equivalents" includes the Group's fully liquid assets, comprising cash on hand and at banks, and short-term deposits with an original maturity of three months or less. Use of these balances is unrestricted and they are not subject to risk of changes in value. The balances relate mostly to short-term deposits.

The balance of this item at 31 December 2021 was EUR 507,455 thousand, of which EUR 147,543 thousand related to the UTEs in which the Group held interests. There is also EUR 7,990 thousand of restricted cash related to other guarantees.

3.10.- Share capital

Under the scope of the Restructuring and in accordance with the terms of the Lock-Up Agreement, the Group reduced and subsequently increased capital to strengthen its capital structure.

At the Extraordinary General Shareholders' Meeting held on 26 March 2021, approval was given to reduce capital by reducing the par value of shares outstanding by EUR 0.35 each, from EUR 0.60 to EUR 0.25 per share. The deed for the capital reduction was executed on 30 March 2021 and placed on file at the Madrid Companies Registry on 20 April 2021. The Group accounted for the transaction by reducing share capital by EUR 100,292 thousand and increasing non-distributable voluntary reserves by the same amount (see Note 2.9.7).

At the same meeting, shareholders approved increases in the share capital of the Parent. The related deeds were executed on 25 June 2021 and placed on file at the Madrid Companies Registry on 28 June 2021, the date all the new shares were admitted to trading on the Madrid and Barcelona Stock Exchanges. The Cash Capital Increases were paid in full on subscription. The Parent's share capital after these transactions increased by EUR 76,144 thousand through the issuance of 304,576,294 new ordinary shares carrying the same rights as existing shares (see Note 2.9.7). The transaction costs, which include the specific costs of the capital increase and the conversion to equity of the Arrangement and Backstop fees, for EUR 11,070 thousand, were recognised as a reduction to reserves, net of the related tax effect, of EUR 2,768 thousand.

After the capital increases, the share capital of Obrascón, Huarte Lain, S.A. at 31 December 2021 amounted to EUR 147,781,146, divided into 591,124,583 shares of EUR 0.25 par value each, all of the same class and series. Set out below is the reconciliation at the beginning and the end of the reporting period:

	Number of shares	Par value of the shares (EUR)	Nominal amount (EUR thousand)
Number of shares and nominal amount of share capital at 31 December 2020	**286,548,289**	**0.60**	**171,929**
Capital reduction through reduction of par value	286,548,289	(0.35)	(100,292)
Capital increases	304,576,294	0.25	76,144
Number of shares and nominal amount of share capital at 31 December 2021	**591,124,583**	**0.25**	**147,781**

Since the capital increases did not require the exercise of pre-emptive subscription rights, they resulted in a dilution of existing shareholders' ownership percentage. The following table shows companies with a direct or indirect ownership interest of 3% or more in the share capital of Obrascón Huarte Lain, S.A. as at 31 December 2021:

Company	% ownership interest
Concerted action (Luis Fernando Martin Amodio and Julio	25.97
Simon Davies	15.51
Inmobiliaria Espacio, S.A.	7.10

3.11.- Share premium

Movements in the share premium account in 2021:

	EUR thousand
Share premium balance at 31 December 2020	**1,265,300**
Capital increases	68,440
Fair value adjustments	(5,612)
Share premium balance at 31 December 2021	**1,328,128**

The share premium adjustments were the result of the recognition at fair value of the Debt-Equity Swap, and the Arrangement and Commitment Fee and Backstop Fee capital increases (see Note 2.9.8).

The Spanish Companies Act (*Ley de Sociedades de Capital*) expressly permits the use of the share premium account balance to increase capital of the companies at which it is recognised and establishes no specific restrictions as to its use.

3.12.- Treasury shares

Changes in the Parent's share capital in 2021 and 2020:

	No. of shares	EUR thousand
Balance at 31 December 2019	**515,037**	535
Treasury shares purchased	22,615,843	18,728
Treasury shares sold	(22,530,013)	(18,857)
Balance at 31 December 2020	**600,867**	406
Treasury shares purchased	11,906,100	8,327
Treasury shares sold	(11,965,671)	(8,229)
Balance at 31 December 2021	**541,296**	**504**

3.13.- Reserves

Breakdown of the balances of this consolidated statement of financial position item at 31 December 2021 and 2020:

	EUR thousand	
	31/12/2021	31/12/2020
Restricted reserves of the parent		
Legal reserve	29,556	34,386
Capital redemption reserve	11,182	11,182
Subtotal	40,738	45,568
Voluntary and consolidation reserves		
Attributable to the parent	(706,378)	(604,631)
Attributable to consolidated companies	(161,575)	(209,608)
Subtotal	(867,953)	(814,239)
Total	**(827,215)**	**(768,671)**

The change in the Parent's voluntary reserves in 2021 was due mainly to:

- Distribution of 2020 loss of EUR 205,203 thousand.
- Allocation to a non-distributable reserve of EUR 100,292 thousand, which is the amount of the capital reduction, in accordance with article 335.c) of the Spanish Companies Act.
- Capital increase costs net of tax of EUR 8,420 thousand.

The legal reserve was fully allocated at year-end 2020. At 31 December 2021, an accounting adjustment was made that left the amount of the reserve equal to 20% of the new amount of share capital, which had been reduced. This adjustment was recognised in voluntary reserves.

3.14.- Valuation adjustments

Cash flow hedge reserves

This item includes changes to the value of derivative financial instruments net of the related tax effect. Changes in the balance of this item in 2021 and 2020:

	EUR thousand	
	31/12/2021	31/12/2020
Opening balance	**(15,125)**	**(16,300)**
Net change in the period at fully consolidated companies	5,783	(2,069)
Net change in the period at companies accounted for using the equity method	9,342	3,244
Closing balance	**-**	**(15,125)**

The change in this item was the result of the sale of Nuevo Hospital de Toledo and Sociedad Concesionaria Aguas de Navarra, which had entered into interest rate derivatives designated as hedging instruments (see Note 3.19).

Translation differences

Translation differences by country at 31 December 2021 and 2020:

Country	EUR thousand	
	31/12/2021	31/12/2020
Saudi Arabia	3,538	1,854
Canada	(3,855)	(3,908)
Colombia	4,414	1,970
Mexico	(37,666)	(41,012)
Chile	(16,044)	1,832
Peru	(397)	(322)
UK	(16)	(1,270)
Czech Republic	4,887	4,001
US	15,821	(5,919)
Other countries	(541)	4,535
Total	**(29,859)**	**(38,239)**

3.15.- Bank borrowings, and issues of notes and other marketable securities

The balances of bank borrowings and issues of notes and other marketable securities on the statement of financial position as at 31 December 2021 and 2020 are as follows:

	EUR thousand	
	31/12/2021	31/12/2020
Non-current liabilities		
Bank borrowings	43,355	52,852
Issue of corporate notes	444,642	589,636
Current liabilities		
Bank borrowings	26,054	97,827
Issue of corporate notes	9,458	8,804
Total	**523,509**	**749,119**

The amount of borrowings in 2021 decreased by EUR 225,610 thousand, due mostly to:

- The issue of New Notes and the cancellation of existing notes, which resulted in a decrease in the carrying amount of the debt of EUR 144,340 thousand recognised under Issue of corporate notes.
- A decrease of EUR 51,008 thousand from 31 December 2020 under "Bank borrowings" following the sale of the Group's stake in Sociedad Concesionaria Aguas de Navarra, S.A.
- Early repayments made in the year on the ICO-backed loan amounting to EUR 40,830 thousand, as explained below.

3.15.1. Bank borrowings

- The maturity schedule of bank borrowings as at 31 December 2021 is as follows:

	EUR thousand						
	2022	2023	2024	2025	2026	Other	Total
Progress billing and note discounting facilities	572	-	-	-	-	-	572
Mortgage loans	44	46	15	3	-	-	108
Loans and credit facilities	25,436	21,537	20,842	912	-	-	68,727
Total loans	26,052	21,583	20,857	915	-	-	69,407
Unmatured accrued interest payable	2	-	-	-	-	-	2
Total unmatured accrued interest payable	2	-	-	-	-	-	2
Total	**26,054**	**21,583**	**20,857**	**915**	**-**	**-**	**69,409**

- Progress billing and note discounting facilities

	EUR thousand	
	31/12/2021	31/12/2020
Limit	572	-
Amount drawn down	572	-
Undrawn balance	-	-

- Mortgage loans

  At 31 December 2021 certain items of property, plant and equipment amounting to EUR 305 thousand (2020: EUR 357 thousand) had been mortgaged as security for loans of EUR 60 thousand (2020: EUR 87 thousand).

  At 31 December 2021, certain investment properties amounting to EUR 162 thousand (2020: EUR 164 thousand) had been mortgaged as security for loans of EUR 48 thousand (2020: EUR 63 thousand).

- Bridge financing agreement (ICO)

  On 30 April 2020, the Parent entered into a bridge financing agreement with a limit of EUR 140,000 thousand, which has been novated successively. The agreement is secured with a guarantee by Spain's Official Credit Institute (Instituto Crédito Oficial or "ICO") covering 70% of the financing, in addition to other collateral; i.e. pledges on shares in certain Group companies and on accounts and receivables from intra-group positions among Group companies.

  The limit at 31 December 2021 was EUR 54,502 thousand (2020: EUR 130,331 thousand) after the early repayments of amounts equal to half of the proceeds from the sale of the investments as provided for in the agreement. The entire amount of financing had been drawn down at that date.

  On 27 May 2021, ICO authorised the Parent to extend the maturity of this credit facility from the original 30 October 2021 to 30 October 2024. Payments are in equal amounts and made on the last day of each calendar quarter. The **first amount is payable on 30 June 2022**.

  The applicable interest rate on amounts drawn down is the Euribor rate plus 5.5% as of 1 May 2021 to maturity.

  This facility was fully repaid on 4 February 2022 with amounts received from CEMONASA (see Note 5).

- Limits on loans and credit facilities

	EUR thousand	
	31/12/2021	31/12/2020
Limit	96,731	252,039
Amount drawn down	69,680	159,114
Undrawn balance	27,051	92,925

The average interest rate on the amounts drawn down on the credit facilities in 2021 was 4.73% (2020: 3.40%).

3.15.2. Issue of notes and other marketable securities

Under the scope of the Restructuring completed on 28 June 2021, the Group cancelled the outstanding 2022 and 2023 Notes through a combination of: (i) write-off; (ii) debt-equity swap of the principal of the Notes; and (iii) issuance of new notes. In all, the accounting of the refinancing resulted in the derecognition of the carrying amount of the notes of EUR 589,636 thousand and payment of the accrued coupon to the date of execution of EUR 23,787 thousand, and the recognition of EUR 434,934 thousand for the new issue of notes measured at fair value (see Note 2.9).

The characteristics of the New Notes (see Note 2.9.7. for the terms and conditions of the issue) are as follows:

				Maturity of nominal amount		
Issuer	Issue date	Coupon	PIK (*)	2025	2026	Guarantees
OHL Operaciones, S.A.	June 21	5.10 %	1.50 %	243,633	243,634	Personal guarantee and security interests

EUR thousand

(*) As of 15 September 2023, the PIK will increase to 4.65%

Breakdown of the carrying amount of the New Notes.

	EUR thousand
June 2021 issue	
Nominal amount of New Notes	487,267
Fair value adjustment	(44,187)
Accrued coupon	9,458
PIK interest	1,562
Balance at 31 December 2021	**454,100**

The average interest rate on the notes issues in 2021 was 5.10% (2020: 5.15%).

3.16.- Other financial liabilities

Breakdown of other financial liabilities as at 31 December 2021 and 2020:

	EUR thousand	
	31/12/2021	31/12/2020
Lease liabilities, non-current	24,937	21,158
Derivatives, non-current	-	12,644
Lease liabilities, current	15,943	16,862
Total	**40,880**	**50,664**

The decrease in derivatives was the result of the departure of Sociedad Concesionaria Aguas de Navarra from the Group in 2021.

3.17.- Other liabilities

The breakdown of this consolidated statement of financial position item as at 31 December 2021 and 2020 is as follows:

	EUR thousand			
	31/12/2021		31/12/2020	
	Non-current	Current	Non-current	Current
Payable to associates	-	82,252	-	109,025
Salaries payable	-	34,504	-	27,889
Tax payables	-	63,906	-	67,070
Other non-trade payables	21,398	32,340	12,129	14,260
Guarantees and deposits received	1,966	1,429	1,965	2,543
Other	-	212	-	201
Total	**23,364**	**214,643**	**14,094**	**220,988**

3.18.- Tax matters

Consolidated tax group

The Group files consolidated tax returns in both Spain and the US for all the companies that meet the related requirements. All other Group companies file individual tax returns.

Accounting for taxes

The income tax expense of the consolidated Group is calculated by aggregating the income tax expense of the consolidated tax groups and of the companies that file individual income tax returns.

The tax bases are calculated on the basis of the profit or loss for the period adjusted by temporary differences, permanent differences and prior periods' tax losses.

The tax effect of temporary differences between transactions recognised in the accounting records and reported in the income tax return using different criteria gives rise to deferred tax assets and liabilities that will be recoverable or payable in the future.

Recognised tax losses also give rise to deferred tax assets that do not reduce the expense for subsequent periods.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised when there are no doubts that sufficient taxable profit will be available against which the temporary differences can be utilised.

When the closing is performed for tax purposes each period, the deferred tax balances are reviewed in order to ascertain whether they still exist and the appropriate adjustments are made so as to adapt the balances to the new situation.

Income tax expense

Estimates of the main line items affecting the amount of income tax expense are as follows:

	EUR thousand	
	2021	**2020**
Consolidated profit/(loss) before tax	**60,971**	**(127,121)**
Share of profit/(loss) of companies accounted for using the equity method	2,703	(677)
Subtotal	63,674	(127,798)
Tax charge at 25%	**(15,918)**	**31,950**
Net impact of other permanent differences, tax credits, domestic tax rate differential and adjustments	(20,325)	(54,939)
Income tax expense	**(36,243)**	**(22,989)**

The tax rate was calculated by eliminating the share of profit or loss of companies accounted for using the equity method and considering that the Group does not recognise tax credits unless it is certain they will be recovered.

Years open for review by the taxation authorities

In accordance with prevailing tax returns cannot be considered final until they have been inspected by the taxation authorities or until the statute of limitations has elapsed.

At 31 December 2021, the companies comprising the consolidated Group were subject to review by the taxation authorities for the tax periods that were not beyond the statute of limitations for all taxes applicable pursuant to the legislation in force in the various jurisdictions in which they operate.

In July 2020, the taxation authorities notified the Parent of the commencement of a tax audit of the following taxes and periods:

Income tax	2014-2017
Value added tax	07/2016-12/2019
Personal income tax withholdings/payments on account	07/2016-12/2019
Investment income tax withholdings/payments on account	07/2016-12/2019
Non-resident income tax withholdings	07/2016-12/2019

However, the Parent's directors consider that the tax returns for all the taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions or of potential tax audits of the years open for review, any contingent tax liabilities that may arise would not have a material effect on the accompanying interim condensed consolidated financial statements for the 12 months ended 31 December 2021.

3.19.- Revenue and expenses

Revenue

Revenue for the Group in 2021 decreased by 1.8% to EUR 2,778,604 thousand (2020: EUR 2,830,727 thousand), broken down by business activity, geographical market and customer as follows:

Business activity	EUR thousand		% change
	2021	2020	
Construction	2,232,917	2,347,221	-4.9 %
Industrial	165,536	166,281	-0.4 %
Services	361,533	300,158	20.4 %
Other	18,618	17,067	9.1 %
Total revenue	**2,778,604**	**2,830,727**	**-1.8 %**

The breakdown of revenue by geographical area and market in 2021 and 2020 is as follows:

Geographical area	EUR thousand	
	2021	2020
US and Canada	1,008,637	1,188,193
Mexico	10,480	49,846
Chile	284,030	389,914
Peru	84,453	50,130
Colombia	53,070	33,962
Spain	821,592	659,013
Central and Eastern Europe	380,238	324,009
Other countries	136,104	135,660
Total revenue	**2,778,604**	**2,830,727**

	EUR thousand	
	2021	2020
Spanish market	**821,592**	**659,013**
International market:	**1,957,012**	**2,171,714**
European Union	381,676	321,303
Eurozone	48,844	40,891
Non-eurozone	332,832	280,412
Other	1,575,336	1,850,411
Total	**2,778,604**	**2,830,727**

Set out below is the reconciliation of segment revenue to consolidated revenue for 2021 and 2020:

Segment	EUR thousand 2021 Revenue from external customers	2021 Inter-segment revenue	2021 Total revenue	2020 Revenue from external customers	2020 Inter-segment revenue	2020 Total revenue
Construction	2,232,917	10,437	2,243,354	2,347,221	19,647	2,366,868
Industrial	165,536	3,874	169,410	166,281	7,371	173,652
Services	361,533	708	362,241	300,158	1,168	301,326
Other	18,618	5,376	23,994	17,067	5,224	22,291
Adjustments to and eliminations of inter-segment revenue	-	(20,395)	(20,395)	-	(33,410)	(33,410)
Total	**2,778,604**	**-**	**2,778,604**	**2,830,727**	**-**	**2,830,727**

Segment assets and liabilities are not disclosed are they are not considered relevant for the group's decision-making.

Other operating income

In 2021, this item amounted to EUR 125,665 thousand (2020: 51,155 thousand euros).

Cost of sales

This item amounted to EUR 1,513,204 thousand in 2021 (2020: EUR 1,591,062), with the decrease in line with the performance of revenue and the improvement in operating profit.

Staff costs

Staff costs in 2021 totalled EUR 814,608 thousand (2020: EUR 755,130 thousand). The increase was mostly the result of the increase in average headcount during the year.

Other operating expenses

The detail of this consolidated statement of profit or loss line item is as follows:

	EUR thousand 12 months ended 31 December 2021	12 months ended 31 December 2020
External services	(238,141)	(221,339)
Taxes other than income tax	(10,708)	(9,913)
Other operating expenses	(236,368)	(236,923)
Total	**(485,217)**	**(468,175)**

Finance income

The detail of this consolidated statement of profit or loss line item is as follows:

	EUR thousand	
	12 months ended 31 December 2021	12 months ended 31 December 2020
Interest income from other companies	16,032	17,837
Income from equity investments	1,411	20
Restructuring income	99,481	-
Total	**116,923**	**17,857**

Income from equity investments relates to dividends received from subsidiary Mantholedo, S.A.U. prior to the sale of the investment.

Restructuring income is the difference between the nominal amount of the original notes (i.e. EUR 592,888 thousand) and the fair value of the new notes and shares (see Note 2.9.8).

Finance costs

The detail of this consolidated statement of profit or loss line item is as follows:

	EUR thousand	
	12 months ended 31 December 2021	12 months ended 31 December 2020
On the financing of current transactions	(64,724)	(52,552)
On finance leases and deferred purchases of non-current assets	(2,006)	(2,085)
On the discounting of provisions	311	167
Restructuring fees	(24,106)	-
Total	**(90,525)**	**(54,470)**

Restructuring fees include the costs related to the issue of the New Notes of EUR 21,162 thousand and the unaccrued arrangement expenses of the original notes of EUR 2,944 thousand (see Note 2.9.8).

Exchange differences (gains and losses)

Exchange losses in 2021 amounted to EUR 2,594 thousand (2020: EUR 1,816 thousand) caused mainly by the effect of Chilean pesos, Canadian dollars, Czech koruna and others.

Net gain/(loss) on remeasurement of financial instruments at fair value

The remeasurement of financial instruments generated a net loss at 31 December 2021 of EUR 10,768 thousand (2020: EUR 17,940 thousand). This was the result mainly of the transfer to profit or loss of the gain or loss on the cash flow hedge reserve recognised previously in equity following the sale of Nuevo Hospital de Toledo and Sociedad Concesionaria Aguas de Navarra.

Share of profit/(loss) of companies accounted for using the equity method

The Group share of losses in 2021 amounted to EUR 2,703 thousand (2020: EUR 677 thousand of profit) (see Note 3.5.1).

Impairment and gains/(losses) on disposal of financial instruments

In 2021, this statement of profit or loss item amounted to EUR 20,906 thousand, which included gains of Euros 46,861 thousand on the sale of Nuevo Hospital de Toledo, S.A. and EUR 7,699 thousand on the sale of Sociedad Concesionaria Aguas de Navarra, S.A.

In also included impairment of EUR 14,543 thousand on the Canalejas Project, caused by the higher investments and costs incurred because of the delay in the opening of shopping centre, with the project still feeling the effects of the pandemic.

This, coupled with adjustments to profit or loss from previous disposals (OHL Concesiones) and other provisions recognised, left a total for this item of EUR 20,906 thousand.

In 2020, the amount was a negative EUR 62,892 thousand, due mostly to impairments on the Canalejas Project of EUR 25,600 thousand and receivables from GVM of EUR 35,596 thousand.

3.20.- Interim condensed consolidated statement of cash flows

The interim condensed consolidated statement of cash flows was prepared in accordance with IAS 7 and is unaffected by fluctuations in exchange rates vis-à-vis the euro of the currencies in which the Group operates.

The requisite classifications were made to properly reflect the changes due to inclusions in and exclusions from the scope of consolidation.

Highlights for each of the main sections of the interim condensed consolidated statement of cash flows are as follows:

Operating activities

“Other adjustments”:

	EUR thousand	
	12 months ended 31 December 2021	12 months ended 31 December 2020
Change in provisions	(10,753)	1,470
Financial profit/(loss)	(39,130)	119,261
Share of profit/(loss) of companies accounted for using the equity method	2,703	(677)
Total	**(47,180)**	**120,054**

Net cash flows used in operating activities in 2021 amounted to EUR 633 thousand, compared to EUR 7,644 thousand of cash flows from operating activities the year before.

Investing activities

Cash flows from investing activities in 2021 amounted to EUR 85,623 thousand.

Payments for investments amounted to EUR 63,163 thousand.

Proceeds from the sale of investments totalled EUR 132,755 thousand, arising mainly from the disposals in the first half of the year of the investments in Nuevo Hospital de Toledo, Mantohledo and the Old War Office profit (see Note 3.5) and the sale in October of Sociedad Concesionaria Aguas de Navarra.

Financing activities

Net cash used in financial activities in 2021 amounted to EUR 63,871 and included mainly the effect of the Cash Capital Increases, the payment of the coupons on the Notes, restructuring costs and a decrease in borrowings from the partial early repayments of the ICO loan.

Considering these cash inflows and outflows and net foreign exchange differences, cash and cash equivalents at 31 December 2021 amounted to EUR 440,942 thousand.

4. OTHER DISCLOSURES

4.1.- Number of employees

The average number of employees in 2021 and 2020 by professional category is as follows:

Professional category	Average number of employees	
	31/12/2021	31/12/2020
Senior managers/executives	86	74
Middle managers	1,179	1,599
Other line personnel	2,758	2,497
Clerical staff	575	651
Other employees	17,359	15,081
Total	**21,957**	**19,902**
Permanent employees	15,692	13,476
Temporary employees	6,265	6,426
Total	**21,957**	**19,902**
Men	10,515	10,849
Women	11,442	9,053
Total	**21,957**	**19,902**

4.2.- Related party transactions

Relationships are considered to exist in transactions carried out with agents outside the Group, but with which there is a strong relationship according to the definitions and criteria of the Spanish Ministry of Economy and Finance order EHA/3050/2004, of 15 September, and the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores) Circular 1/2005, of 1 April.

The following table sets out related party transactions carried out in 2021 and 2020:

	EUR thousand			
	2021	% of total	2020	% of total
Revenue and expenses				
Revenue	15,995	0.6 %	33,629	1.2 %
Other operating income	43	0.0 %	100	0.2 %
Finance income	-	0.0 %	4,607	25.8 %
Cost of sales	413	0.0 %	453	0.0 %
Other operating expenses	2,947	0.6 %	3,225	0.7 %
Other transactions				
Repayment or cancellation of loans granted	-	-	52	-
Other transactions	404	-	437	-

The breakdown of related party transactions in 2021 is as follows:

Taxpayer identification number (CIF)	Related party	Item	Group company	EUR thousand
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	56
A-87287223	Espacio Caleido, S.A.	Revenue	Obrascon Huarte Lain, S.A.	7,729
A-80400351	Espacio Information Tecnology, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	12
B-83962225	Espacio Living Homes, S.L.	Revenue	Obrascon Huarte Lain, S.A.	7,958
PTP1509286F8	Prefabricados y Transportes Pret, S.A. de C.V.	Revenue	Pacadar, S.A.U.	240
A-87287223	Espacio Caleido, S.A.	Other operating income	OHL Servicios-Ingesan, S.A.U.	2
A-80400351	Espacio Information Tecnology, S.A.U.	Other operating income	OHL Servicios-Ingesan, S.A.U.	14
B-85253888	Villar Mir Energía, S.L.U.	Other operating income	OHL Servicios-Ingesan, S.A.U.	27
A-80400351	Espacio Information Tecnology, S.A.U.	Cost of sales	Avalora Tecnologías de la Información, S.A.	413
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	1
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	3
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	4
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	OHL Servicios-Ingesan, S.A.U.	13
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Chemtrol Proyectos y Sistemas, S.L.	15
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	53
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Pacadar, S.A.U.	224
A-80400351	Espacio Information Tecnology, S.A.U.	Other operating expenses	Pacadar, S.A.U.	67
JSE110223AT0	Jetflight Services, S.A. de C.V.	Other operating expenses	Obrascon Huarte Lain, S.A.	58
A-85255370	Grupo Ferroatlántica, S.A.U.	Other operating expenses	Pacadar, S.A.U.	1
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Other operating expenses	Obrascon Huarte Lain, Desarrollos, S.A.	65
A-80400351	Espacio Information Tecnology, S.A.U.	Management or partnership agreements	Obrascon Huarte Lain, S.A.	2,421
B-80209232	Inse Rail, S.L.	Management or partnership agreements	Obrascon Huarte Lain, S.A.	22
Other transactions				
A-82500257	Grupo Villar Mir, S.A.U.	Repayment or cancellation of loans granted	Obrascon Huarte Lain, S.A.	53,769
A-82500257	Grupo Villar Mir, S.A.U.	Repayment or cancellation of loans granted	Obrascon Huarte Lain, Desarrollos, S.A.	1,600

Related party balances at 31 December 2021 and 2020 were as follows:

	EUR thousand			
	31/12/2021	% of total	31/12/2020	% of total
Non-current assets				
Other loans	34,831	24.5 %	-	-
Current assets				
Advances to suppliers and subcontractors				
Trade receivables	2,566	0.2 %	23,959	2.5 %
Other receivables	-	0.0 %	3,246	6.9 %
Other loans	11,150	7.4 %	151	1.0 %
Other current assets (see Note 3.8.)	-	0.0 %	138,592	107.7 %
Non-current liabilities				
Other non-current liabilities	-	-	-	-
Current liabilities				
Advances received from customers	541	0.1 %	10,753	2.6 %
Trade payables	525	0.1 %	420	0.1 %
Notes payable	40	0.1 %	151	0.3 %
Other non-trade payables	11	0.0 %	293	0.1 %

In addition, at 31 December 2021 the Group had provided guarantees to related parties amounting to EUR 646 thousand (2020: EUR 11,855 thousand).

The change in trade balances was caused by the departure from the scope of related parties of Espacio Caleido, S.A. in November 2021.

4.3.- Contingent assets and liabilities

4.3.1. Contingent assets

There were no material contingent assets as at 31 December 2021.

4.3.2. Contingent liabilities and guarantees

4.3.2.1. Guarantees provided to third parties

“Contingent liabilities” are ordinary liabilities for fulfilment of construction contracts entered into by a Group company or by a temporary business association or joint venture (Spanish “UTE”) in which the Group holds an interest. Moreover, Spanish subsidiaries are secondarily liable for obligations of subcontractors owed to social security agencies for on-site personnel. The Group is not expected to incur any loss in this regard.

At 31 December 2021, guarantees provided by Group companies to third parties stood at EUR 3,239,567 thousand (2020: EUR 3,215,384 thousand), of which EUR 3,192,041 thousand (2020: EUR 3,145,084 thousand) related to performance bonds provided to government bodies and private customers to guarantee successful completion of construction work; the remainder related to provisional guarantees for construction tenders.

In view of the state of progress of the works secured by performance bonds, the Group believes there are no circumstances at present that would warrant recognising a provision.

The acquired commitments are execution of works or projects in accordance with the relevant contracts. If the Group were to breach a contract, the customer would be entitled to enforce the performance bond, subject to proof of the Group's breach.

The Group believes that it is correctly performing its core activity, i.e., duties owed to customers as to execution of works and projects under awarded contracts. The probability of contractual breach – and therefore of guarantee enforcement – is regarded as remote.

Joint and several personal financial guarantees

Some Group companies had provided joint and several personal guarantees to a range of entities – mainly banks – as security for credit facilities granted to associates. At 31 December 2021, these guarantees stood at EUR 2,399 thousand (2020: EUR 1,024 thousand).

The Parent's directors do not expect these guarantees to give rise to additional liabilities affecting the interim condensed consolidated financial statements for the 12 months ended 31 December 2021.

Investment commitments

Under their concession contracts, concession operators must make specified investments. However, the related expenditures are not material in the context of the entire Group in view of the sale of Sociedad Concesionaria Aguas de Navarra S.A.

4.3.2.2. Litigation

At 31 December 2021, the Parent and its subsidiaries were involved in a range of disputes arising from the ordinary course of business.

In the Construction and Industrial divisions, the key disputes were:

- In 2014, the Group reported that the contract "**Design and Construction of the Sidra Medical Research Centre (Doha, Qatar)**" had given rise to a dispute between the Qatar Foundation for Education, Science and Community Development (QF) and the joint venture formed by the Parent and Contrack Cyprus Ltd (interests of 55% - 45%, respectively). On 30 July 2014, arbitration proceedings commenced before the International Chamber of Commerce.

  The joint venture seeks an award ordering reimbursement of enforced guarantees (QAR 880 million, or EUR 211.5 million), payment for scope modifications that were executed but remain unpaid, as acknowledged in the partial award (QAR 182 million, or EUR 43.7 million), acknowledgement of and payment for scope modifications that were executed but remain unpaid, in respect of which an arbitral award is yet to be made (QAR 76 million, or EUR 18.3 million) and payment of the costs of extended presence at the construction site, as already acknowledged in the partial award (QAR 190 million, or EUR 45.7 million). For its part, QF seeks acknowledgement of termination costs in excess of the consideration still outstanding under the contract (QAR 2,600 million, or EUR 624.9 million), defect repair costs (QAR 124 million, or EUR 29.8 million), defect repair costs yet to be fully determined (QAR 106 million, or EUR 25.5 million), further costs relating to defect repairs (QAR 238 million, EUR 57.2 million) and liquidated damages for the delay caused by the joint venture (QAR 792 million, EUR 190.3 million).

The arbitration court is yet to decide on the merits of the claims and the value of any claim that may in the event be upheld. So far, the following items have been quantified: (i) the guarantee enforced against the joint venture (QAR 880 million, EUR 211.5 million), a fixed amount that in any case operates as a claim in favour of the joint venture; (ii) executed but still unpaid scope modifications, for which an arbitral award has already been rendered (QAR 182 million, EUR 43.8 million) - again, a fixed amount that operates as a claim in favour of the joint venture; and (iii) defect repair costs (QAR 124 million, EUR 29.8 million), a fixed amount that operates as a claim in favour of QF. No award ordering payment has yet been made. Any such award will be rendered once all the parties' claims have been determined and evaluated.

However, in the light of the latest legal opinions provided by third parties and the views of the Parent's management, and in view of the timeframes within which an arbitral award might be expected, the Parent's directors have reassessed the various scenarios for the outcome of the arbitration as a whole and have drawn the conclusion that, despite the remaining uncertainty, it is unlikely that the Group will suffer any additional economic loss.

- On 7 February 2017, Rizzani de Eccher, SpA, Trevi, SpA and Obrascon Huarte Lain, S.A. instituted investment protection arbitration proceedings against the State of Kuwait before ICSID (International Centre for Settlement of Investment Disputes) in connection with the contract "**Construction, Completion and Maintenance of Roads, Overpasses, Sanitary and Storm Water Drains, as well as other Services for Jamal Abdul Nasser Street**". OHL owns a 50% stake in the joint venture, a construction company. The arbitration was initiated under international treaties for reciprocal protection of investments signed by Kuwait, Spain and Italy. In the performance of the contract, the State of Kuwait breached the treaty by engaging in obstructive, abusive and arbitrary actions to the detriment of foreign investors.

  In its memorial, the joint venture quantified the damages owed to it at KWD 100.6 million (EUR 293.6 million), or, in the alternative, KWD 90.4 million (EUR 263.8 million), plus, in any event, KWD 2.3 million (EUR 6.7 million), based on an assessment by independent consultants. Kuwait filed a counter-memorial, containing a counter-claim for KWD 32.1 million (EUR 93.7 million). In the light of legal opinions provided by third parties and the views of the Parent's own legal advisors, the Parent's directors believe it is unlikely that the arbitration award will cause any economic loss to the Group.

  On 13 December 2017, Samsung C&T Corporation, Obrascon Huarte Lain, S.A. and Qatar Building Company filed a request for arbitration before the International Chamber of Commerce against Qatar Railways Company in connection with the contract **"Design & Build Package 5 – Major Stations – Doha Metro Project".** OHL owns a 30% stake in the joint venture, a construction company. The joint venture seeks damages initially estimated at QAR 1.5 billion (EUR 360.5 million). Kuwait filed an initial counter-claim for QAR 1 billion (EUR 240.3 million). The arbitration court declared that it was not competent to hear the case because at the time the request for arbitration was filed the requirements under the arbitration clause had not been met. The joint venture then filed a new request for arbitration seeking damages initially estimated at QAR 1.4 billion (EUR 336.5 million). Qatar Railways then counter-claimed for damages initially estimated at QAR 860 million (EUR 206.7 million).

- After a suspension period, proceedings resumed by Obrascon Huarte Lain, S.A. against the Polish company PGB, S.A. OHL seeks damages of PLN 191.5 million (EUR 41.7 million) as a consequence of PGB's liabilities as a partner in the **construction consortium for the Slowacckiego IV project in Gdansk, Poland**. The court proceedings are still at the initial stage.

- The Group filed an arbitration claim against Anesrif (the Algerian agency for railway investment) arising from a contract for construction of the **Annaba railway**. Based on the opinions of independent experts, the Group seeks damages of EUR 200 million. Anesrif has counter-claimed for EUR 56.9 million.

- The Group is a party to an arbitration proceeding initiated by **Autopista Rio Magdalena, S.A. (a company of the Aleática Group, formerly OHL Concesiones)** to resolve disputes arising from the contract for construction of the Rio Magdalena Highway (Colombia) that led to early termination of the contract in April 2019. Here, the Group seeks damages of COL 313,769 million (EUR 68.1 million), while Autopista Rio Magdalena claims COL 1,149,659 million (EUR 249.5 million). In connection with this arbitration proceeding, Autopista Rio Magdalena has sued the surety companies in the courts, claiming COL 127,719 million (EUR 27.7 million) in advance payments and COL 164,513 million (EUR 35.7 million) in performance bonds. The Group is involved in the proceedings as a joint claimant and guarantor. The amounts are also claimed by Autopista Rio Magdalena in the arbitration proceeding.
  In the light of legal opinions provided by third parties and the views of the Parent's own legal advisors, the Parent's directors believe it is unlikely that the arbitration award will cause any economic loss to the Group.

- The Group is suing the Chilean finance ministry and ministry of public works in connection with a contract to build the Chacrillas reservoir. The Group seeks damages of CLP 30,169 million (EUR 31.3 million).

Regarding Group investments in companies undergoing liquidation, the key disputes were:

- In December 2019, in case 882/2019 in Madrid Court of First Instance No. 10, a defence was filed to the claim against OHL brought by the funds **TDA 2015-1 Fondo de Titulización, TDA 2017-2 Fondo de Titulización, Bothar Fondo de Titulización** and **Kommunalkredit Austria, Ag**. The claimants, as creditors, argue that the borrower was under certain obligations set out in the Sponsor Agreement entered into by the borrower as part of the project finance for a concession operator now in liquidation, **Autopista Eje Aeropuerto Concesionaria Española, S.A.U**. The value of the claim is EUR 212,433 thousand, in the form of a subordinated loan, contribution to equity, capital increase amount, or damages, plus EUR 70,869 thousand in late payment interest.
-
  On 16 July 2021, the first-instance court dismissed the claimant funds' case in its entirety. Meanwhile, on 17 September 2021, the request for clarification of the judgement submitted by the same parties was also dismissed in its entirety. The funds appealed the ruling, resulting in appeal 926/21, of the Madrid High Court. A date is yet to be appointed for judgment to be rendered on this matter.

  Based on legal opinions provided by their advisers, the directors do not believe this claim can succeed.

- Regarding the insolvency proceedings of **Autopista Eje Aeropuerto Concesionaria Española, S.A.U. and Aeropistas, S.L.U.:**

  In its decision of 13 October 2015, the court rejected the proposed settlements. The liquidation procedure commenced, with the concomitant legal implications. In accordance with the case-law of the Spanish Supreme Court, the concession contract was terminated.

  On 4 October 2019, the court characterised the insolvency of the company as "fortuitous".

  Finally, as a required preliminary of the final settlement of the concession contract, the Spanish Ministry of development formally terminated the contract on 14 July 2018.

  Contemporaneously, the Group lodged an application for judicial review with the Supreme Court (case 210/2018). The application was not concerned with a claim for damages. The issue was whether the date of contract termination was the ostensible date of termination by the Ministry of Development (referred to above) or the date of the commercial court's decision to resolve the insolvency via liquidation (13 October 2015). Moreover, the Group sought a determination on whether, if the latter termination date applied, the State then had three months to close out the contract, and would owe late payment interest once that period had run out; and a determination on what the rate of such interest would be. The application for judicial review led to decision 783/2020 of 17 June 2020, which characterised the Group's motions as "premature". The issues are to be decided in the further judicial review proceedings discussed below.

  In October 2019, the Group lodged an application for judicial review (case 276/2019) in respect of the insolvency of Autopista Eje Aeropuerto Concesionaria Española S.A. before the Third Chamber of the Supreme Court, challenging a resolution of the Council of Ministers of 26 April 2019 construing a range of toll motorway concession contracts. The Group disputed the method of calculation of State liability. A ruling on the dispute has yet to be issued since the ruling on application for judicial review was issued on 15 December 2021.

  In February 2020, the concession operator in liquidation received a governmental notice stating a preliminary calculation of State liability as being nil. In March 2020, the concession operator responded with pleadings and documents showing that its expenditure on the works had exceeded EUR 400 million and that it had laid out EUR 179 million for expropriations. The Spanish Ministry of Development recently made its final decision on this administrative proceeding, reasserting its view that State liability in respect of this project is nil. The company objected to the decision and applied to the Supreme Court to widen the scope (appeal 276/2019) to include economic quantification of the issue after appropriate determination of the method of calculation. The company's application was rejected. Hence, the company contested the final decision in the administrative proceeding determining State liability by lodging an application for judicial review in Section 5 of the judicial review division of the Supreme Court (case PO: 121/21). In its application, the company requests that proceedings be suspended until a decision is rendered on appeal 276/2019.

  The Council of Ministers issued a new resolution on 28 December 2021 amending the amount of the State liability to be received by Autopista Eje Aeropuerto. Pursuant to this resolution, this company was paid EUR 59,447,204.14; i.e. the recognised amount of EUR 46,463,018.23 plus interest.

The company widened the scope of appeal 121/21 to include this decision by the Council of Ministers since the amount received is not the amount originally sought by the company in its application.

In the light of the opinions of their external advisers, the combination of the appeals described above that are not final and the lack of final settlement by the State, the Parent's directors consider that the carrying amount of the investment of EUR 18.6 million euros is recoverable.

- On 16 August 2016, the *Boletín Oficial del Estado* [Spain's official State gazette] announced the commencement of ordinary voluntary proceedings in respect of the insolvency of **Cercanías Móstoles Navalcarnero, S.A. (CEMONASA)**.

  On 15 March 2017, Madrid Commercial Court No. 1 decreed that the company Cercanías Móstoles Navalcarnero, S.A. was dissolved, removed the directors and replaced them with insolvency administrators, and declared the company to be in liquidation.

  Finally, in the context of the insolvency proceedings, on 2 November 2017 Madrid Commercial Court No. 1 approved the liquidation plan for the company. The plan provides that the company may continue current legal proceedings – and institute further proceedings as appropriate – to recover damages from the State and any other indemnities to which it might be entitled.

  As a result of the company having incurred a penalty, on 20 June 2017 the Madrid regional government enforced the guarantees provided by OHL, S.A. and OHL Concesiones, S.A.U. to assure performance of their obligations under the concession operator's concession contract. The amount of the enforcement of the performance bonds was recovered by CEMONASA, as the final decision by the Madrid High Court to appeal proceedings 231/16 instituted by CEMONASA against the penalty was enforced.

  So far, appeals 1129/17 and 1080/17, lodged respectively by CEMONASA and OHLSA before the Madrid High Court against the order issued by the Madrid regional government's department of transport, housing and infrastructure – terminating the concession contract, enforcing the performance bond and declaring that the concession operator was to indemnify the government in an amount to be determined in court – have both led to final judgements in favour of CEMONASA. In both cases, the court found that CEMONASA was not at fault in termination of the concession arrangement and that the request for damages and seizure of guarantees from CEMONASA were unwarranted.

  Moreover, in the course of carrying out the approved liquidation plan, on 21 March 2018 the liquidators of the insolvent company lodged an application for judicial review before the Madrid High Court (case 246/18) against the Madrid regional government seeking an economic settlement of the contract given that, liquidation having commenced in the context of insolvency, the contract was automatically at an end. In this application, the Company filed a notice of withdrawal of the appeal on the excessiveness of the claim made on 24 January 2022, **since the Madrid government partially accepted the petition in letter dated 23 January 2021 and, consequently, paid an amount of EUR 162,495,773.41 plus VAT to the Company. This amount included the principal and the applicable statutory interest.**

Then, in October 2020, CEMONASA filed a further administrative claim to recover EUR 53 million from the Madrid regional government in respect of additional construction work requested by the government outside the scope of the concession contract. The claim was presumptively rejected by “administrative silence”. The Company then applied to the Madrid High Court for judicial review (PO 1529/21), which is still proceeding.

In the light of external legal opinions, the directors consider that the concession arrangement entitles the Group to recover its expenditure.

- Regarding the “Lezo Affair”:

  - Ancillary proceeding 3.

  In 2016, central investigative division no. 6 of the Spanish national court [*Audiencia Nacional*] commenced proceedings 91/2016 to investigate a range of alleged criminal offences: business corruption, bribery, money laundering and acts of organised crime.

  The court oversaw investigations concerning more than 57 individuals, 6 of whom were at one point employees of the OHLA Group. No such person is currently employed by or associated with the Group.

  At the date of this report, we are not aware of any formal accusation having been made against any current OHLA Group executive or director. No action has been taken against any company of the OHLA Group.

  - Ancillary proceeding 8.

  In February 2019, the company became aware that a new ancillary proceeding – number 8 – had been commenced in addition to the main proceedings. The investigation aims to find out whether or not Group employees committed bribery to attract public works contract awards in Spain.

  Several current and former employees and former directors testified in court as witnesses and persons of interest.

  So far, no action has been taken against the company. Hence, OHL is not a party to the proceedings and its information about them is limited.

  The Company is actively cooperating with the authorities and providing all requested information. In addition, the Company conducted its own internal investigation in accordance with existing procedures. The outcome of the investigation was submitted to the court in July 2020.

  In procedural terms, proceeding 8 of the "Lezo Affair" remains at the investigative stage.

The Group faces a number of claims in respect of employment terminations. Such claims are not material whether considered individually or in combination.

The Group is involved in a range of minor lawsuits arising from the ordinary course of business, none of which is material when considered individually.

Contingent liabilities

"Contingent liabilities" are ordinary liabilities for fulfilment of construction contracts entered into by a Group company or a UTE in which the Group has an interest. Moreover, Group companies are secondarily liable for obligations of subcontractors owed to social security agencies for on-site personnel. The Group is not expected to incur any loss in this regard.

On 21 July 2020, the Spanish competition watchdog (**Comisión Nacional de los Mercados y la Competencia or "CNMC"**) commenced infringement proceedings S/0021/20:OBRA CIVIL 2 against OHL and several other companies concerning alleged conduct contrary to Article 1 of the Spanish Competition Act (LDC) and Article 101 of the Treaty on the Functioning of the European Union. It is alleged that the companies made agreements and shared information with the intention or the effect of restricting competition for contracts put out to tender by government bodies in Spain to build and restore infrastructure and buildings.

These proceedings were commenced after earlier proceedings concerning the same matter were shelved. On 14 July 2020, the competition tribunal of the Board of the CNMC decided to (i) declare the earlier proceedings S/DC/0611/17 to have expired, and order that they be stayed, and (ii) request that the CNMC commence new infringement proceedings.

The infringement proceedings are now at the investigative stage. On 5 July 2021, the competition watchdog issued a draft decision proposing that OHL be fined EUR 21.8 million and granting a period of 15 days for a reply. The Group's external advisers will propose that the CNMC shelve the proceedings for a range of substantiated reasons.

On 10 March 2021, the **Peruvian competition authority** was asked to consider imposing a penalty on the Parent for alleged practices of "horizontal collusion" (i.e., price-fixing) in connection with government tenders in Peru in the period 2002-2016. The proposed fine would come to USD 51.0 million (EUR 45 million). On 17 November 2021, a first-instance decision was issued, imposing a penalty on the Group of UIT 28,268.88 (EUR 27.5 million). An appeal for judicial review was submitted, so the proceeding is still in the administrative phase. These administrative proceedings are still at the initial stage. So far, no sanction has been imposed at first (administrative) instance against the Parent. In the view of the directors, at the date of issue of these interim financial statements there was no reason to recognise any provision in this respect.

4.4.- Remuneration of directors and senior management

The remuneration of the Board is governed by Article 24 of the Articles of Association and by the Director Remuneration Policy approved by the shareholders at the General Meeting of 26 June 2018, for that year and the three following years, in accordance with Article 529 *novodecies* of the Spanish Companies Act. The policy caps annual remuneration for non-executive directors at EUR 1,400,000, apportioned on the basis adopted by the Board itself, as set out in the Policy.

In 2021, there was no pension scheme in place for non-executive directors. This fixed remuneration is compatible with and independent from any remuneration, indemnities, pension benefits or compensation received by directors for employment by or other services to the Company.

A remuneration scheme was set up in 2021 for certain managers, for a total of EUR 863 thousand.

Remuneration accrued in 2021 with comparative information for the previous year:

DIRECTORS	EUR thousand	
	31/12/2021	31/12/2020
Remuneration items:		
Remuneration for membership of the Board and/or Board committees	1,391	1,214
Salaries	1,200	1,093
Variable remuneration in cash	1,385	1,200
Other items	28	33
Total	**4,004**	**3,540**
Senior managers:		
Total remuneration to senior management	**14,401**	**12,690**

5. EVENTS AFTER THE REPORTING PERIOD

On 4 February 2022, the Company disclosed that, in application of the terms agreed with its financial creditors in the framework of the process of recapitalisation and renegotiation of its debt (the **Restructuring**), it will apply the funds received by its subsidiary Cercanías Móstoles de Navalcarnero, S.A. (**CEMONASA**), derived from the payment by the Madrid regional government, of investments made in major works (see Note 3.4) to repay its borrowings.

In this regarding, and in application of the terms agreed in the Restructuring:

(i) the Company repaid in full the outstanding EUR 54,503 thousand of principal on the ICO-backed loan taken out with its reference banks, and

(ii) subsidiary OHL Operaciones, S.A.U. launched a partial tender offer for a maximum principal amount of EUR 43,204 thousand (the **Maximum Tender Amount**, equal to a nominal amount of EUR 43,066,660) plus accrued interest payable (including PIK interest) for holders of its "*EUR 487,266,804 Split Coupon Senior Secured Notes"* listed on the unregulated market of the Vienna Stock Exchange ("*Vienna MTF*") (the **Notes**), for their subsequent redemption (the **Tender Offer**).

The terms and conditions of the Tender Offer for the Notes are included in the Tender Offer launch announcement (the **Offer Announcement**) drawn up by the Company and made available to Noteholders.

Noteholders may tender their Notes from 4 February 2022 until 09:00 hours (CET) on 7 March 2022. The Company will announce the results of the Tender Offer on 8 March 2022, although the dates are subject to change as provided for in the Offer Announcement.

If the tender offers received are accepted, the Company will pay to the Noteholders a cash price equal to 100 per cent of the principal amount of the Notes plus the amount of accrued interest payable up to (but excluding) the settlement date of the Tender Offer. Settlement of the Tender Offer is scheduled to take place on 9 March 2022, although this date is subject to change as provided for in the Offer Announcement (the **Settlement Date**).

If the Tender Offer does not reach the Maximum Tender Amount, the remainder will be redeemed on a pro rata basis among all Noteholders on the Settlement Date.

6. ADDITIONAL NOTE FOR ENGLISH TRASLATION

These Interim Condensed Consolidated Financial Statements for the 12 months ended 31 december 2021 are presented on the basis of the regulatory financial reporting framework applicable to the Group (see Note 2). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

APPENDIX I

SELECTED SEPARATE FINANCIAL INFORMATION OF OBRASCON HUARTE LAIN, S.A. FOR THE 12 MONTHS ENDED 31 2021

Contents

EUR thousand

Statement of financial position as at 31 December 2021 and 2020

ASSETS	31/12/2021	31/12/2020
NON-CURRENT ASSETS		
Intangible assets		
Development expenditure	886	1,836
Patents, licenses, trademarks and similar rights	12	13
Computer software	2,880	3,011
Other intangible assets	222	264
	4,000	**5,124**
Property, plant and equipment		
Land and buildings	726	730
Machinery and technical installations	8,340	3,377
Other installations, equipment and furniture	3,847	3,814
Investments in concessions	35	36
Other property, plant and equipment	6,034	1,742
Property, plant and equipment under construction and advances	-	168
	18,982	**9,867**
Investment properties		
Land	4	4
Buildings	787	803
	791	**807**
Non-current investments in group companies and associates		
Equity instruments	1,397,248	883,363
Loans to companies	86,234	359,165
	1,483,482	**1,242,528**
Non-current financial assets		
Equity instruments	13	59,924
Loans to companies	2,068	162,745
Debt securities	1,168	279
Derivatives	399	-
Other financial assets	5,302	4,904
	8,950	**227,852**
Deferred tax assets	**35,822**	**46,042**
TOTAL NON-CURRENT ASSETS	**1,552,027**	**1,532,220**
CURRENT ASSETS		
Inventories		
Raw materials and other supplies	14,144	12,319
Auxiliary shop projects and site installations	17,744	18,245
Advances to suppliers and subcontractors	14,881	8,578
	46,769	**39,142**
Trade and other receivables		
Trade receivables	226,872	251,603
Trade receivables from group companies	20,978	26,011
Trade receivables from associates	4,841	19,865
Other receivables	21,949	23,626
Employee receivables	573	419
Current tax assets	30,002	28,604
Other tax receivables	10,348	7,273
	315,563	**357,401**
Current investments in group companies and associates		
Loans to companies	109,508	123,032
Other financial assets	148,637	61,562
	258,145	**184,594**
Current financial assets		
Equity instruments	3	3
Loans to companies	15,879	96,456
Other financial assets	145,190	146,524
	161,072	**242,983**
Current prepayments and accrued income	**17,429**	**13,403**
Cash and cash equivalents		
Cash	119,000	151,291
Cash equivalents	2,796	3,038
	121,796	**154,329**
TOTAL CURRENT ASSETS	**920,774**	**991,852**
TOTAL ASSETS	**2,472,801**	**2,524,072**

EUR thousand

Statement of financial position as at 31 December 2021 and 2020

Equity and liabilities	31/12/2021	31/12/2020
EQUITY		
CAPITAL AND RESERVES		
Capital		
Registered capital	147,781	171,929
Share premium	1,328,128	1,265,300
Reserves		
Legal and bylaw reserves	29,556	34,386
Other reserves	111,462	26,340
(Own shares and equity holdings)	-504	-406
Prior years' losses	-809,524	-604,321
Profit/(loss) for the year	23,690	-205,203
TOTAL EQUITY	**830,589**	**688,025**
GRANTS, DONATIONS AND BEQUESTS RECEIVED	**154**	**441**
TOTAL EQUITY	**830,743**	**688,466**
NON-CURRENT LIABILITIES		
Non-current provisions		
Long-term employee benefits	863	-
Other provisions	30,737	30,051
	31,600	**30,051**
Loans and borrowings		
Bonds and other marketable securities	-	589,636
Bank borrowings	38,718	1,563
Other financial liabilities	6,023	2,617
	44,741	**593,816**
Loans and borrowings from group companies and associates	**444,642**	-
Deferred tax liabilities	**5,024**	**4,381**
TOTAL NON-CURRENT LIABILITIES	**526,007**	**628,248**
CURRENT LIABILITIES		
Current provisions	**148,850**	**160,928**
Loans and borrowings		
Bonds and other marketable securities	-	8,804
Bank borrowings	25,177	97,152
Other financial liabilities	7,654	3,308
	32,831	**109,264**
Loans and borrowings from group companies and associates	**344,252**	**365,822**
Trade and other payables		
Trade payables	240,081	254,224
Trade notes payable	35,398	34,702
Trade payables to group companies	16,801	15,826
Trade payables to associates	25,487	34,866
Personnel (salaries payable)	10,782	12,220
Current tax liabilities	7,157	2,546
Other payables to public authorities	21,469	33,861
Advances from customers	232,943	183,099
	590,118	**571,344**
TOTAL CURRENT LIABILITIES	**1,116,051**	**1,207,358**
TOTAL EQUITY AND LIABILITIES	**2,472,801**	**2,524,072**

EUR thousand

Income statement for the years ended 31 December 2021 and 2020

	2021	2020
Revenue		
Treasury shares sold	443,803	497,677
Share of sales at UTEs	150,018	104,228
	593,821	601,905
Change in inventories of auxiliary shops and site facilities	(406)	958
Cost of sales:		
Cost of construction materials and machinery parts used	(86,216)	(83,454)
Subcontracted work	(337,491)	(324,036)
Inventory write-downs	-	495
Other operating income:		
Non-trading and other operating income	96,256	41,019
Grants related to income recognised in profit or loss	577	416
Staff costs:		
Salaries, wages and similar	(122,604)	(133,676)
Employee benefits	(21,568)	(21,938)
Other operating expenses:		
External services	(132,150)	(122,780)
Taxes	(4,736)	(6,355)
Losses on, impairment of and changes in trade provisions	6,700	(1,152)
Other operating expenses	(2,661)	(3,883)
Depreciation and amortisation	(5,637)	(7,505)
Provision surpluses	-	3,435
Impairment and gains/(losses) on disposals of property, plant and equipment		
Impairment and losses	1	-
Gains/(losses) on disposal and other	1,585	996
I. OPERATING PROFIT/(LOSS)	**(14,529)**	**(55,555)**
Finance income:		
From investments in equity instruments		
Group companies and associates	15,978	-
Other	10	9
From marketable securities and other financial instruments:		
Group companies and associates	7,096	30,754
Other	104,533	8,644
Finance costs:		
On loans and borrowings from group companies and associates	(40,395)	(14,890)
On loans and borrowings from third parties	(58,072)	(44,575)
Change in fair value of financial instruments		
At fair value through profit or loss	(33)	(1,358)
Exchange differences	(11,406)	16,233
Impairment and gains/(losses) on disposal of financial instruments		
Impairment and losses	(20,187)	(131,044)
Gains/(losses) on disposal and other	49,248	-
II. NET FINANCIAL PROFIT/(LOSS)	**46,772**	**(136,227)**
III. PROFIT/(LOSS) BEFORE TAX (I+II)	**32,243**	**(191,782)**
Income tax expense	(8,553)	(13,421)
IV. PROFIT/(LOSS) FOR THE PERIOD	**23,690**	**(205,203)**

EUR thousand

Statement of changes in equity for the years ended 31 December 2021 and 2020

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

	2021	2020
PROFIT/(LOSS) FOR THE PERIOD	**23,690**	**(205,203)**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY:	**11**	**-**
Measurement of financial instruments:		
Available-for-sale financial assets	-	-
Other income/(expenses)	-	-
Cash flow hedges	-	-
Grants, donations and bequests received	15	-
Actuarial gains and losses and other adjustments	-	-
Other income and expense recognised directly in equity	-	-
Tax effect	(4)	-
AMOUNTS TRANSFERRED TO PROFIT OR LOSS:	**(298)**	**(168)**
Measurement of financial instruments:		
Available-for-sale financial assets	-	-
Other income/(expenses)	-	-
Cash flow hedges	-	-
Grants, donations and bequests received	(397)	(224)
Other income and expense recognised directly in equity	**-**	**-**
Tax effect	99	56
TOTAL RECOGNISED INCOME/(EXPENSE)	**23,403**	**(205,371)**

OBRASCÓN HUARTE LAIN, S.A.

EUR thousand

Statement of changes in equity for the years ended 31 December 2021 and 2020

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

	Capital and reserves						Grants donations and bequests	Total equity
	Capital	Share premium	Reserves	(Own shares and equity holdings)	Prior years' profit and loss	Profit/(loss) for the year		
Closing balance at 31 December 2019	**171,929**	**1,265,300**	**60,965**	**(535)**	**(544,435)**	**(59,886)**	**609**	**893,947**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(205,203)**	**(168)**	**(205,371)**
Transactions with equity holders or owners	**-**	**-**	**(249)**	**129**	**-**	**-**	**-**	**(120)**
Capital increases/(reductions)	-	-	-	-	-	-	-	**-**
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	**-**
Distribution of dividends	-	-	-	-	-	-	-	**-**
Transactions with shares or own equity instruments (net)	-	-	(249)	129	-	-	-	**(120)**
Increases/(decreases) due to business combinations	-	-			-	-	-	**-**
Other transactions with equity holders or owners	-	-	-	-	-	-	-	**-**
Other changes in equity	**-**	**-**	**10**	**-**	**(59,886)**	**59,886**	**-**	**10**
Closing balance at 31 December 2020	**171,929**	**1,265,300**	**60,726**	**(406)**	**(604,321)**	**(205,203)**	**441**	**688,466**
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**23,690**	**(287)**	**23,403**
Transactions with equity holders or owners	**(24,148)**	**62,828**	**91,998**	**(98)**	**-**	**-**	**-**	**130,580**
Capital increases/(reductions)	(24,148)	62,828	91,872		-	-	-	**130,552**
Conversion of financial liabilities into equity	-	-	-	-	-	-	-	**-**
Distribution of dividends	-	-	-	-	-	-	-	**-**
Transactions with shares or own equity instruments (net)	-	-	126	(98)	-	-	-	**28**
Increases/(decreases) due to business combinations	-	-	-	-	-	-	-	**-**
Other transactions with equity holders or owners	-	-	-	-	-	-	-	**-**
Other changes in equity	**-**	**-**	**(11,706)**	**-**	**(205,203)**	**205,203**	**-**	**(11,706)**
Closing balance at 31 December 2021	**147,781**	**1,328,128**	**141,018**	**(504)**	**(809,524)**	**23,690**	**154**	**830,743**

EUR thousand

Statement of cash flows for the years ended 31 December 2021 and 2020

	2021	2020
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3+4)	**(164,111)**	**(100,688)**
Profit/(loss) before tax	**32,243**	**(191,782)**
Adjustments to profit/(loss)	**(48,302)**	**142,137**
(+) Amortisation and depreciation	5,637	7,505
(+/-) Other adjustments to profit/(loss), net (see Note 23.3)	(53,939)	134,632
Working capital changes	**(81,120)**	**(29,866)**
Other cash flows from operating activities:	**(66,932)**	**(21,177)**
(-) Interest paid	(97,535)	(61,109)
(+) Dividends received	8,132	9
(+) Interest received	16,453	16,721
(+/-) Income tax recovered/(paid)	(3,669)	(1,830)
(+/-) Other amounts received from/(paid for) operating activities	9,687	25,032
(B) CASH FLOWS FROM INVESTING ACTIVITIES (1+2)	**100,509**	**389**
Payments for investments:	**(12,073)**	**(2,914)**
(-) Group companies, associates and business units	(62)	(59)
(-) Property, plant and equipment, intangible assets and investment properties	(8,154)	(2,150)
(-) Other financial assets	(3,857)	(705)
Proceeds from sale of investments:	**112,582**	**3,303**
(+) Group companies, associates and business units	108,370	901
(+) Property, plant and equipment, intangible assets and investment properties	1,639	2,402
(+) Other financial assets	2,573	-
C) CASH FLOWS FROM FINANCING ACTIVITIES (1+2+3)	31,069	22,508
Proceeds from (and payments for) equity instruments:	**71,441**	**(120)**
(+) Issue	71,398	-
(-) Acquisition	(8,327)	(18,728)
(+) Disposal	8,355	18,608
(+) Grants	15	-
Proceeds from (and payments for) financial liability instruments	**(40,372)**	**22,628**
(+) Issue	1,964	100,766
(-) Redemption and repayment	(42,336)	(78,138)
Dividends and interest on other equity instruments paid	**-**	**-**
D) NET FOREIGN EXCHANGE DIFFERENCE	-	-
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(32,533)**	**(77,791)**
F) CASH AND CASH EQUIVALENTS AT 1 JANUARY	**154,329**	**232,120**
G) CASH AND CASH EQUIVALENTS AT 30 JUNE (E+F)	**121,796**	**154,329**

1.- Corporate information

Obrascón Huarte Lain, S.A., formerly Sociedad General de Obras y Construcciones Obrascón, S.A., was incorporated on 15 May 1911, with registered address at Paseo de la Castellana, 259-D.

The company's object and business activity consist mainly of all manner of civil engineering and building construction works for public and private customers. Its object also includes the provision of public and private services, the operation of service concession arrangements and hotel complexes, real estate development and the sale of properties.

2.- Basis of preparation

The selected separate financial information has been prepared in accordance with Spain's General Accounting Plan (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, and its subsequent amendments, and the Spanish Securities Market Act (*Ley del Mercado de Valores*), Royal Decree 1362/2007, Royal Decree 878/2015 and the Spanish National Securities Market Commission Circular 3/2018, of 28 June.

The selected separate financial information does not include the full set of disclosures required in a complete set of interim separate financial statements prepared in accordance with generally accepted accounting principles under Spanish legislation. In particular, the selected separate financial information has been prepared with the content required to meet the financial reporting requirements established in rule four of Circular 3/2018 which allows the issuer, when it is required to prepare consolidated financial information for the interim period, to include only the separate information that is relevant for the proper understanding of the half-yearly financial report.

Therefore, the selected separate financial information should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2021.

3. Significant events in the reporting period

3.1.- Restructuring operation

The Effective Date of the Restructuring was 28 June 2021. The key milestones were:

i. The capital reduction through the reduction of the par value of the shares to EUR 0.25 per share, for a total amount of EUR 100,292 thousand.
ii. The Investment Commitments and Cash Capital Increases, which entailed the issuance of 304,576,294 new shares with a cash value of EUR 144,584 thousand.
iii. Amendments to the terms and conditions of the Notes, which resulted in the cancellation of the 2022 and 2023 Notes. At the same time, via OHL Operaciones S.A.U., a subsidiary of Obrascon Huarte Lain S.A, issued new Notes for a nominal amount of EUR 487,267 thousand, with 50% maturing on 31 March 2025 and the remaining 50% on 31 March 2026.

By applying IFRS 9 and IFRIC 19, the entire operation was measured at fair value. Therefore, the impact on the Company's statement of profit or loss and statement of financial position varies by the nominal amounts stated above.

As part of the Restructuring, to streamline the structure of collateral the Group undertook a commitment with holders of the New Notes to carry out a corporate restructuring (**Hive Down)** after the Effective Date, implying that a substantial portion of the Group's business will be carried out in the future by a newly created subsidiary headquartered in Spain, OHL Operaciones, to which OHL will contribute its main subsidiaries (see Note 2.9).

To do so, in **July** the **first phase of the Hive Down** was completed, with the contribution by the Parent to OHL Operaciones of the following assets: OHL Desarrollos, S.A.U., Senda Infraestructuras, S.L.U., Aeropistas, S.L., Agrupación Guinovart Obras y Servicios Hispania, S.A., Asfaltos y Construcciones Elsan, S.A., Cercanías Móstoles Navalcarnero, S.A., Construcciones Adolfo Sobrino, S.A., Construcciones Colombianas OHL, S.A.S., OHL Infraestructuras S.A.S. and S.A. Trabajos y Obras. Next, the Parent contributed its shares in OHL Operaciones to OHL Holding and, subsequently, OHL Holding its shares in OHL Operaciones to OHL Iniciativas. The latter two companies are newly incorporated and resident in Luxembourg.

Transfer from the Parent to OHL Operaciones of the remaining Hive-Down Assets will take place as and when it receives applicable authorisations and consent from relevant Group counterparties.

3.2.- Main changes in the statement of profit or loss

The main changes in 2021 in comparison with 2020 were as follows:

Statement of profit or loss for the 12 months ended 31 December 2021 and 2020.

- **Revenue** amounted to EUR 593,821 thousand, down slightly from EUR 601,905 thousand in 2020. Increased activity by temporary business associations or joint ventures (UTEs) offset the decline in direct business.

- The Company reported an **EBIT** loss of EUR 14,529 thousand, compared to the loss for the year ended 31 December 2020 of EUR 55,555 thousand. The improvement was driven by better performance of Group projects, with margins gradually recovering.

- **Financial profit** amounted to EUR 46,772 thousand, compared to a financial loss of EUR 136,227 thousand in 2020. This item includes the financial impact of the Restructuring, particularly on:

  - **Finance income**, of EUR 87,692 thousand for the write-off/fair value of the Notes and EUR 11,789 thousand for the measurement at fair value of the debt-equity swap, taking a share price of EUR 0.636.

  - Within **finance costs**, an expense of EUR 18,236 thousand for interest on the Notes and an expense of EUR 21,162 thousand related to the Restructuring.

  - **Exchange differences** resulted in a loss of EUR 11,406 thousand, affected by the Mexican peso, the Qatari riyal and the Kuwaiti dinar, compared to the gain of EUR 16,233 thousand recognised at 31 December 2020.

- **Gains/(losses) on disposal of financial instruments** generated a gain in the period of EUR 29,061 thousand, compared to a loss of EUR 131,044 thousand at 31 December 2020, including the gains on the sale of Sociedad Concesionaria Aguas de Navarra and Nuevo Hospital, and other impairments.

- **Profit before tax** amounted to EUR 32,243 thousand, compared with a loss before tax in 2020 of EUR 191,782 thousand.

- **Profit for the 12 months ended 31 December 2021** amounted to EUR 23,690 thousand, compared a loss of EUR 205,203 the year before.

3.3.- Main changes in the statement of financial position

The main changes in the statement of financial position as at 31 December 2021 compared to the statement of financial position as at 31 December 2020 are as follows:

- **Equity** at 31 December 2021 stood at EUR 830,743 thousand, up from EUR 688,466 thousand at 31 December 2020, an increase of EUR 142,277 thousand. This was mainly due to:

  i. Profit for the period, of EUR 23,690 thousand
  ii. Cash and non-cash capital increases for EUR 138,972 thousand, with the debt-equity swap and fee capitalisation (arrangement and back stop) increases measured at fair value.
  iii. Impact on reserves of a negative EUR 11,706 thousand from the transaction carried out to transfer certain ownership interests in subsidiaries to OHL Operaciones, S.A.U. at fair value.

- **Non-current assets** totalled EUR 1,552,027 thousand, compared to EUR 1,532,220 thousand at 31 December 2020. The main change was the result of the increase in investments in group companies and associates for the dation in payment received from Pacadar as repayment of part of the debt owed by Grupo Villar Mir (GVM) to the Company, and the decrease from the reclassification to current assets of the Company's receivables from CEMONASA, which took place in January 2022.
- **Current assets** stood at EUR 920,774 thousand, down from EUR 991,852 thousand at 31 December 2020, highlighted by the following items:

  - **Trade and other receivables** of EUR 315,563 thousand, slightly below the figure at 31 December 2020.
  - **Investments in group companies and associates,** with EUR 258,145 thousand, up from the previous year due primarily to movements of funds to OHL Operaciones, S.A.U. of EUR 61,918 thousand.
  - **Current financial assets,** of EUR 161,072 thousand, down EUR 81,911 thousand mostly because of the recognition of the agreement entered into between OHL S.A, Grupo Villar-Mir and IESA for the repayment of borrowings and the reclassification to current assets of receivables from Cercanías Móstoles Navalcarnero.
  - **Cash and cash equivalents** which ended the year with a balance of EUR 121,796 thousand.

- **Non-current and current bank borrowings, notes and other marketable securities** of EUR 63,895 thousand, most of which relates to drawdowns on the bridge financing agreement (ICO). At 31 December 2020, the balance was EUR 697,155 thousand. The EUR 633,260 reduction was the result of:

    - Cancellation of the 2022 and 2023 Notes after the Restructuring carried out.
    - Early repayments on the ICO of EUR 40,830 thousand using proceeds from the disposals of Group assets (Owo Project, Sociedad Concesionaria Aguas de Navarra and Nuevo Hospital de Toledo).

- Non-current loans and borrowings from group companies and associates, with a balance of EUR 444,642 for the debt with OHL Operaciones, S.A. in the New Notes issue.

3.4.- Main changes in the statement of cash flows

The main changes were:

- Decrease in **cash and cash equivalents** of EUR 32,533 thousand, due to:

    - Increase in **net cash used in operating activities** to EUR 164,111 thousand from EUR 100,688 thousand in the 12 months ended 31 December 2020. The breakdown of this movement in the year ended 31 December 2021 is as follows:

	EUR thousand
Profit/(loss) before tax	32,243
Adjustments to profit/(loss)	(48,302)
Working capital changes	(81,120)
Other cash flows	(66,932)
Balance at 31 December 2021	**(164,111)**

    - **Cash flows from investing activities** of EUR 100,509 thousand, with EUR 12,073 thousand of payments for investments and EUR 112,582 thousand of proceeds from sales, mainly of the ownership interests in Nuevo Hospital de Toledo S.A. and Mantohledo, S.A., and of Sociedad Concesionaria Aguas de Navarra, S.A.
    - **Cash flows from financing activities** of EUR 31,069 thousand, arising mostly from the EUR 71,398 thousand of cash capital increases carried out and the EUR 40,372 thousand decrease in bank borrowings.

4. Other disclosures

4.1.- Average number of employees

The average number of employees in 2021 and 2020, by gender, is as follows:

Average number of employees	31/12/2021	31/12/2020
Men	3,019	3,657
Women	586	590
Total	**3,605**	**4,247**

4.2.- Changes in the shareholder structure of OHL, S.A.

After the Restructuring carried out at 30 June 2021, companies with a direct or indirect ownership interest of 3% or more in the share capital of Obrascón Huarte Lain S.A. as at 31 December 2021 are as follows:

Company	% ownership
Concerted action (Luis Fernando Martin Amodio and Julio	25.97
Simon Davies	15.51
Inmobiliaria Espacio, S.A.	7.10

4.3.- Execution of the dation in payment and debt acknowledgement contracted entered into between the Company, Grupo Villar Mir, S.A.U. and Inmobiliaria Espacio S.A.U. regarding payment of the debt owed to the Company.

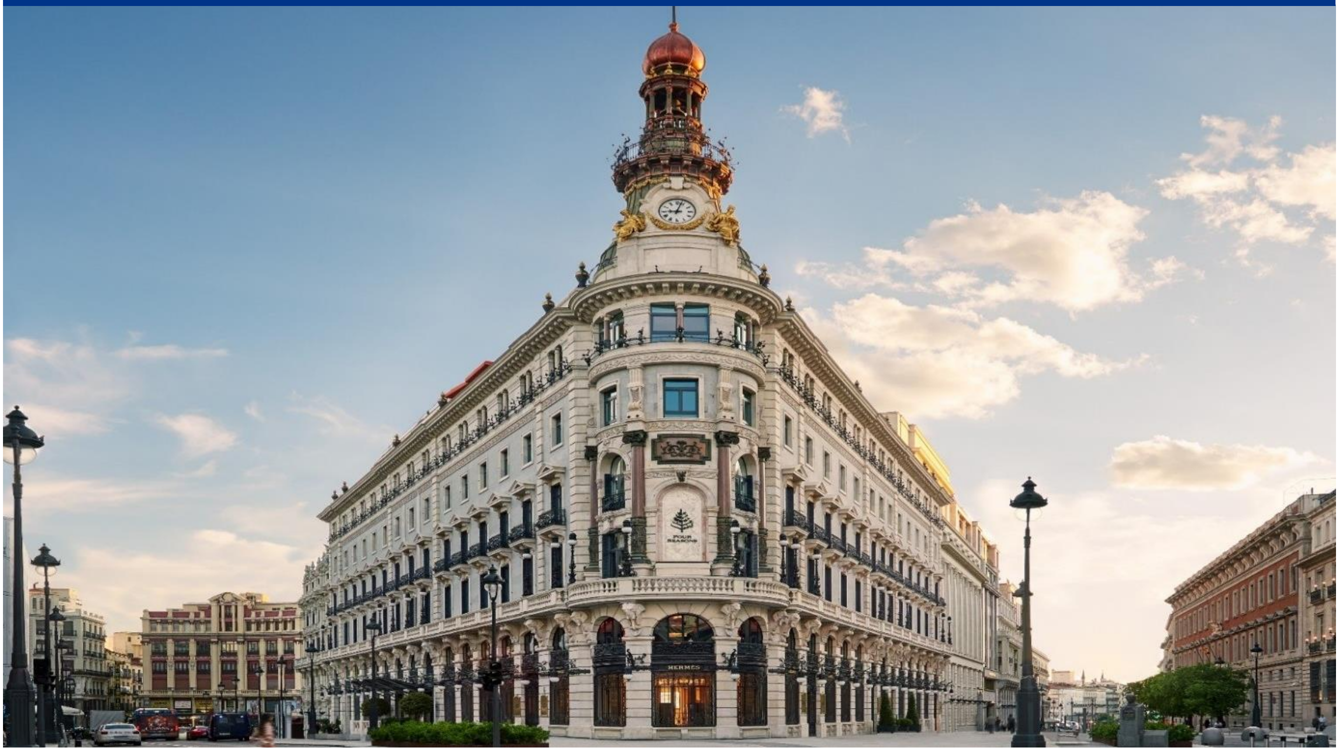
The transactions outlined in that contract, entered into by the parties on 27 December 2020, were completed on 24 February 2021 on compliance with all the conditions precedent. Accordingly, the Company obtained control of all the shares of Pacadar, S.A. (see Note 3.8.).

4.4.- In April 2021, the sale of the 33.34% stake in Nuevo Hospital de Toledo and the 100% stake in its operator, Mantohledo, to a fund managed by DIF Capital Partners was completed.

(see Note 3.5.).

4.5.- Sale of the stake in the Aguas de Navarra concession and the operator, Navarra Gestión, to Impact Navarra, S.R.L.U.

After the agreement entered into on 4 June 2021, the Company sold its 65% stake in Sociedad Concesionaria Aguas de Navarra, S.A. and 30% of Navarra Gestión del Agua S.A. to Impact Navarra S.R.L.U. The selling price was EUR 25,969 thousand, which was received in full on the date of the sale, giving rise to a gain on disposal of EUR 7,699 thousand.



OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim consolidated management report for the 12 months ended 31 December 2021

Contents

1. HIGHLIGHTS

Highlights	2021	2020	Chg. (%)
Revenue	**2,778.6**	**2,830.7**	**-1.8%**
EBITDA	**91.2**	**67.5**	**35.1%**
% of revenue	3.3%	2.4%	
EBIT	**24.5**	**-8.5**	**N/A**
% of revenue	0.9%	-0.3%	
Net attributable profit/(loss)	**24.5**	**-151.2**	**N/A**
% of revenue	0.9%	-5.3%	

Revenue and EBITDA	2021	2020	Chg. (%)
Revenue	**2,778.6**	**2,830.7**	**-1.8%**
Construction	2,232.9	2,347.2	-4.9%
Industrial	165.5	166.3	-0.5%
Services	361.5	300.2	20.4%
Other	18.7	17.0	10.0%
EBITDA	**91.2**	**67.5**	**35.1%**
Construction	100.5	62.2	61.6%
Construction EBITDA margin, %	*4.5%*	*2.6%*	
Industrial	0.0	10.8	-100.0%
Industrial EBITDA margin, %	*0.0%*	*6.5%*	
Services	15.8	15.5	1.9%
Services EBITDA margin, %	*4.4%*	*5.2%*	
Other	-25.1	-21.0	19.5%

Liquidity and net debt	2021	2020	Chg. (%)
Total liquidity	**842.3**	**665.9**	**26.5%**
Recourse liquidity	841.4	664.3	26.7%
Net debt	**-318.8**	**83.2**	**N/A**
Recourse net debt	-317.9	33.6	N/A
Non-recourse net debt	-0.9	49.6	N/A

Order backlog	2021	2020	Chg. (%)
Short-term	5,381.0	4,505.4	19.4%
Long-term	426.5	456.7	-6.6%
Total	**5,807.5**	**4,962.1**	**17.0%**

Number of employees	2021	2020	Chg. (%)
Permanent	16,195	13,933	16.2%
Temporary	6,584	6,492	1.4%
Total	**22,779**	**20,425**	**11.5%**

EUR million /employees

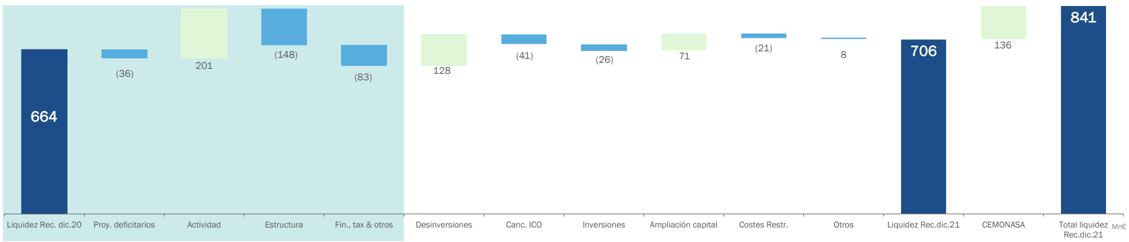
2. GROUP PERFORMANCE

OHLA reported revenue of EUR 2,778.6 million, **EBITDA of EUR 91.2 million (up 35.1% from EUR 67.5 million in 2020) and a construction business EBITDA margin of 4.5%** in 2021, extending the Group's upward trend since 2018 and delivering its 2021 guidance.

Improvement in the statement of profit or loss was also seen in **EBIT**, which was positive at **EUR 24.5 million** in the year compared to a negative EUR 8.5 million in 2020. As disclosed in June, **OHLA** completed its financial recapitalisation and restructuring in the first half of the year. This, coupled with the Group's organic growth and successful non-core asset rotation strategy, helped drive net profit of EUR 24.5 million in 2021.

Total order intake for the period (new contract wins and extensions) amounted to **EUR 3,696.8 million**, **up 33.9% from 2020** and leaving a book-to-bill ratio of 1.3x This level of order intake, the highest since 2016, guarantees an improvement in production in forthcoming quarters. The **total backlog** at year-end 2021 stood at **EUR 5,807.5 million, up 17.0%** from the year-earlier figure. Of the total, Europe represented 36.4%, the US 37.2% and LatAm 25.8%. The **short-term backlog stood at EUR 5,381.0 million**, representing 23.2 months of sales (2020: 19.1 months) and up **19.4% from 2020**.

OHLA ended 2021 with total **recourse liquidity of EUR 841.4 million**, which includes organic cash generation of EUR 201 million from the business, far higher than at any time in previous years. This liquidity position includes EUR 135.6 million in December from the reclassification of a receivable from Cercanías Móstoles Navalcarnero, S.A. from non-current to current financial assets due to its imminent receipt.



OHLA Group sold the following stakes in 2021: the Toledo Hospital, the Old War Office project and Sociedad Concesionaria Aguas de Navarra. In September, EUR 18.0 million was received from subsidiary Cercanías Móstoles Navalcarnero ("Cemonasa") and in December the agreement reached with the Madrid regional government was announced.

In October, the sale of the ownership interest in Centre Hospitalier de l'Université de Montréal (CHUM) was disclosed, subject to conditions precedent. It is expected to be completed in 2022.

Lastly, in addition to news released in 2021 and after the reporting period, in the first few months of 2022 **the cancellation of the ICO loan was completed** and an **announcement was made regarding the partial buyback of 2026 Notes** via a tender offer for 100%, leaving room to reduce gross financial debt by EUR 97.5 million.

3. PERFORMANCE BY DIVISION

3.1.- CONSTRUCTION

Highlights	2021	2020	% chg.
Revenue	**2,232.9**	**2,347.2**	**-4.9%**
EBITDA	**100.5**	**62.2**	**61.6%**
% of revenue	4.5%	2.6%	
EBIT	**53.3**	**15.7**	**239.5%**
% of revenue	2.4%	0.7%	

EUR m

Revenue totalled EUR 2,232.9 million, down 4.9% from 2020, due to lower order intake in the previous two years caused above all by the pandemic. Construction revenue accounted for 80.4% of the Group total, with 83% made abroad.

EBITDA reached EUR 100.5 million, leaving an EBITDA ratio of 4.5%, above the 2.6% achieved in 2020 (EUR 622 million) and extending the division's upward trend since 2018. The improvement was driven by higher-margin project wins in the pipeline.

The construction backlog at 31 December 2021 stood at EUR 4,796.2 (25.8 months of sales), 20.3% higher than at 31 December 2020 (20.4 months of sales). **Order intake jumped 30.5%** in the year (new contract wins and extensions) to **EUR 3,078.0 million**. Of the total, 37.5% was achieved in the US, 35.2% in Europe and 26.8% in Latin America. A key project is the concession for the Bio Bío hospital network in Chile for EUR 234.9 million, in line with the objective of growing the concession division.

The main project wins in the period included:

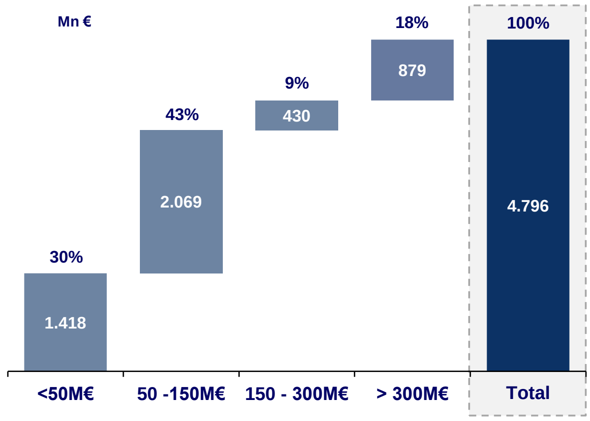
	Country	2021
I-5 North County Enhancements	US	321.1
Bio Bio hospital concession	Chile	234.9
River defences of the Casma and Huarmey rivers (4th package)	Peru	140.8
Destination Sport Miami	US	132.0
Rehab West 79 St. Brdg-Rotunda	US	127.9
Paquete R-06 Ríos Chicama y Virú	Peru	96.0
Hs2 S2 West Tunnel	UK	94.7
I-294. Illinois Roadway and Bridge widening	US	92.5
Rock excavation and civil works Gullmarsplan	Sweden	87.2
Office building in Madrid	Spain	86.5
Total main contract wins		**1,413.6**
Other		1,664.4
Total contract wins		**3,078.0**

EUR m

The geographical breakdown of the short-term backlog is as follows:

	31/12/21
Main regions	**99.3%**
US	45.1%
Europe	33.6%
Latin America	20.6%
Other	**0.7%**

The distribution of the backlog by project size is as follows:



By project type, 46% related to roads, 21% to railways, 21% to energy and mining, and the remaining 11% to building construction and other.

The main contracts in the backlog as at 31 December 2021 were as follows:

	Country	2021
I-5 North County Enhancements	US	332.9
South corridor rapid tram main	US	260.5
Bio Bio hospital concession	Chile	229.7
Project I-405	US	194.4
Destination Sport Miami	US	132.0
Rehab West 79 St. Brdg-Rotunda	US	131.0
River defences of the Casma and Huarmey rivers (4th package)	Peru	130.4
Design Build Serv Access 8 STA	US	106.9
I-294 Grand Wolf	US	96.7
HS London-Birmingham	UK	96.4
Paquete R-06 Ríos Chicama y Virú	Peru	93.0
Largest projects in the backlog		**1,803.9**

EUR m

3.2.- INDUSTRIAL

Highlights	2021	2020	% chg.
Revenue	**165.5**	**166.3**	**-0.5%**
EBITDA	**0.0**	**10.8**	**-100.0%**
% of revenue	0.0%	6.5%	
EBIT	**-0.3**	**7.6**	**-103.9%**
% of revenue	-0.2%	4.6%	

EUR m

In the Industrial division, **revenue amounted to EUR 165.5 million, in line with 2020**. There was also increased activity in renewable projects (mostly in Spain), where efforts are under way to promote this activity.

EBITDA was EUR 0, compared to EUR 10.8 million the year before (EBITDA margin of 6.5%). The figure was affected by the completion of loss-making EPS projects and two lower-margin renewable projects in Chile (i.e. the La Huella PV plant and the La Estrella wind farm), with duration heavily impacted by the ongoing pandemic and cost overruns.

The backlog at year-end stood at EUR 75.8 million (5.5 months of sales), down considerably from December 2020 due to lower order intake in 2021 amid uncertainties among investors caused by soaring raw material prices and international transport costs.

EUR 122.5 million worth of new contracts were signed in the year. The Group is stepping up commercial activity in this division, having set up a subsidiary ("**OHLA** Energy") to drive the growth and development of renewable power plants, so it expects performance to be better in 2022. The division's entire order intake related to direct works with private customers, mostly in Spain.

3.3.- SERVICES

Highlights	2021	2020	% chg.
Revenue	**361.5**	**300.2**	**20.4%**
EBITDA	**15.8**	**15.5**	**1.9%**
% of revenue	4.4%	5.2%	
EBIT	**10.1**	**8.6**	**17.4%**
% of revenue	2.8%	2.9%	

EUR m

Service division revenue totalled EUR 361.5 million (13% of the Group total), **20.4% higher** than in 2020, driven by growth in activity in urban services, cleaning and home assistance, reinforcing the trend seen in recent quarters. Business picked up sharply during the year on the back of the overall industry rebound.

EBITDA reached EUR 15.8 million, leaving an EBITDA margin of 4.4%, in line with the 2020 level. The market was affected mainly by project rotation, i.e. completion of some projects and start-up of new ones. Because of the division's growth, these contracts are penalised initially because of their higher investment, but they should become more profitable in coming quarters.

The backlog at 31 December 2021 stood at EUR 509.0 million (+28.9% from 2020), representing 16.9 months of sales (vs. 15.8 months of sales at year-end 2020). **Order intake** in 2021 **amounted to EUR 479.0 million, an increase of 43.8% from 2020** (EUR 333.0 million). There were significant contract wins in cleaning services (e.g. Hospital de Talavera, Navalcarnero road, Valladolid court offices, Barcelona metro, Malvarrosa Clinic and street cleaning in Madrid batch 2) and urban and maintenance services (i.e. green spaces in Navalcarnero, Hospital de Burgos and other), reflecting the rebound by the sector.

4. CONSOLIDATED FINANCIAL STATEMENTS

4.1.- STATEMENT OF PROFIT OR LOSS

	2021	2020	% chg.
Revenue	**2,778.6**	**2,830.7**	**-1.8%**
Other operating income	125.7	51.2	145.5%
Total operating income	**2,904.3**	**2,881.9**	**0.8%**
% of revenue	104.5%	101.8%	
Operating expenses	-1,998.4	-2,059.3	-3.0%
Staff costs	-814.7	-755.1	7.9%
EBITDA	**91.2**	**67.5**	35.1%
% of revenue	3.3%	2.4%	
Amortisation and depreciation	-77.4	-74.6	3.8%
Provisions	10.7	-1.4	N/A
EBIT	**24.5**	**-8.5**	**N/A**
% of revenue	0.9%	-0.3%	
Finance income and costs	26.4	-36.6	N/A
Change in fair value of financial instruments	-10.8	-17.9	-39.7%
Exchange differences	2.6	-1.8	-244.4%
Impairment and gains/(losses) on disposal of financial instruments	20.9	-63.0	N/A
Financial profit/(loss)	**39.1**	**-119.3**	**N/A**
Share of profit/(loss) of companies accounted for using the equity method	-2.7	0.7	N/A
Profit/(loss) before tax	**60.9**	**-127.1**	**N/A**
% of revenue	2.2%	-4.5%	
Income tax expense	-36.2	-23.0	57.4%
Profit/(loss) for the period from continuing operations	**24.7**	**-150.1**	**N/A**
% of revenue	0.9%	-5.3%	
Profit/(loss) after tax for the period from discontinued operations	**0.0**	**0.0**	**n.m.**
Consolidated profit/(loss) for the period	**24.7**	**-150.1**	**N/A**
% of revenue	0.9%	-5.3%	
Non-controlling interests	-0.2	-1.1	n.m.
Non-controlling interests of discontinued operations	0.0	0.0	n.m.
Profit/(loss) attributable to the parent	**24.5**	**-151.2**	**N/A**
% of revenue	0.9%	-5.3%	

EUR m

Consolidated statement of profit or loss

The Group's **revenue** in 2021 amounted to EUR 2,778.6 million, 1.8% lower than in 2020, due mainly to the decline in Construction activity caused by lower order intake in 2019 and 2020 mostly affected by the pandemic, although this was partly offset by the increased business in Services.

Of the total, 70.4% of revenue was obtained abroad, compared to 76.7% in 2020. The distribution of revenue by geographical area shows that Europe accounted for 45.5%, the US 36.3%, Latin America 16.4% and other countries 1.8%.

Total **operating income** increased by 0.8% in the year, to EUR 2,904.3 million.

EBITDA totalled EUR 91.2 million, leaving an EBITDA margin of 3.3%, compared with EUR 67.5 million and 2.4%, respectively, in 2020. The recovery in EBITDA at Group level in 2021 was primarily thanks to Europe and Latin America.

EBIT was positive, at EUR 24.5 million, with an EBIT margin of 0.9%, compared to an EBIT loss of EUR 8.5 million in 2020.

Financial profit amounted to EUR 39.1 million in 2021, compared to a financial loss of EUR 119.3 million in 2020. Performance was affected by the significant impact of the Restructuring carried out by the Group, as explained in the first half and detailed in the appendices to this report, as follows:

- **Finance income** of EUR 99.4 million due to the effect of the debt write-off, the fair value of the Notes in application of IFRS 9 and IFRIC 19, and the fair value of the conversion of part of the debt for former Notes.

- **Finance costs** of EUR 24.8 million euros, comprising EUR 2.9 million of arrangement costs of the old Notes recognised in profit or loss and EUR 21.2 million of restructuring costs incurred in the operation.

- The **change in the fair value of financial instruments**, which amounted to a negative EUR 10.8 million euros compared to a negative EUR 17.9 million in 2020. The figure in 2021 includes mainly valuation adjustments for the sale of the investments in the Toledo Hospital and Sociedad Concesionaria Aguas de Navarra.

- **Exchange differences** amounted to a gain of EUR 2.6 million, compared to a loss of EUR 1.8 million the year before. Exchange gains were primarily the result of the positive effect of Chilean pesos, Canadian dollars and Czech koruna compared to the year before.

- **Impairment and gains/(losses) on disposals of financial instruments** amounted to EUR 20.9 million, thanks mostly to the sale of the Toledo Hospital and the Aguas de Navarra concession operator. Detracting from the gains, however, were the impairment recognised on Centro Canalejas due to higher investment and costs caused by the delay in the opening of the shopping centre and the lower margins on the project, which is still feeling the effects of the pandemic. The sale of the Old War Office project had an immaterial impact on the Group's accounts. This compared with a negative EUR 63.0 million in 2020, which included an impairment loss of EUR 35.8 million on receivables from Grupo Villar Mir and a write-down to the investment in Canalejas of EUR 15.6 million, among others.

The **share of profit/(loss) from companies accounted for using the equity method** resulted in a loss of EUR 2.7 million in 2021 compared to a profit of EUR 0.7 million in 2020, due to a decrease in profit of certain project subsidiaries (e.g. Nova Esportiva Roda de Bara, Rathigan, Health Montreal).

Profit before tax amounted to EUR 60.9 million, equal to 2.2% of revenue, compared to a loss before tax of EUR 127.1 million in 2020.

Profit/(loss) attributable to the parent amounted to EUR 24.5 million euros, equal to 0.9% of revenue, compared to the EUR 151.2 million loss recorded in 2020.

4.2.- CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	12/31/2021	12/31/2020	% chg.
Non-current assets	**861.5**	**1,137.8**	**-24.3%**
Intangible assets	194.0	162.6	19.3%
Concession infrastructure	0.7	75.1	-99.1%
Property, plant and equipment	222.9	144.7	54.0%
Investment properties	4.3	4.3	0.0%
Investments accounted for using the equity method	167.2	295.1	-43.3%
Non-current financial assets	163.6	306.9	-46.7%
Deferred tax assets	108.8	149.1	-27.0%
Current assets	**2,219.5**	**2,017.2**	**10.0%**
Non-current assets held for sale	32.5	0.0	N/A
Inventories	100.2	86.3	16.1%
Trade and other receivables	1,196.5	1,136.3	5.3%
Other current financial assets	334.8	194.9	71.8%
Other current assets	48.0	128.7	-62.7%
Cash and cash equivalents	507.5	471.0	7.7%
Total assets	**3,081.0**	**3,155.0**	**-2.3%**
Equity	**639.0**	**460.3**	**38.8%**
Capital and reserves	**672.7**	**516.9**	**30.1%**
Share capital	147.8	171.9	-14.0%
Share premium	1,328.1	1,265.3	5.0%
Reserves	-827.7	-769.1	7.6%
Profit/(loss) for the period attributable to the parent	24.5	-151.2	-116.2%
Valuation adjustments	**-29.8**	**-53.3**	**-44.1%**
Equity attributable to equity holders of the parent	**642.9**	**463.6**	**38.7%**
Non-controlling interests	**-3.9**	**-3.3**	**18.2%**
Non-current liabilities	**675.8**	**833.5**	**-18.9%**
Deferred income	0.3	0.6	-50.0%
Non-current provisions	64.0	63.7	0.5%
Non-current financial debt*	488.0	642.5	-24.0%
Other non-current financial liabilities	24.9	33.8	-26.3%
Deferred tax liabilities	75.3	78.8	-4.4%
Other non-current liabilities	23.3	14.1	65.2%
Current liabilities	**1,766.2**	**1,861.2**	**-5.1%**
Liabilities associated with non-current assets held for sale	0.0	0.0	N/A
Current provisions	197.3	210.4	-6.2%
Current financial debt*	35.5	106.6	-66.7%
Other current financial liabilities	15.9	16.9	-5.9%
Trade and other payables	1,302.8	1,306.4	-0.3%
Other current liabilities	214.7	220.9	-2.8%
Total liabilities and equity	**3,081.0**	**3,155.0**	**-2.3%**

* includes bank borrowings + Notes

EUR m

Changes in the statement of financial position

The main consolidated statement of financial position headings as at 31 December 2021 and comparisons with 31 December 2020 are as follows:

Intangible assets: balance of EUR 194.0 million, marking an increase of EUR 31.4 million due mainly to the goodwill arising on the acquisition of shares of Pacadar Group in March 2021 received in the dation of payment of the debt owed by the Villar Mir Group to **OHLA** Group and after its allocation increased the balance of this item, net of amortisation for the year, of EUR 41.1 million, of which EUR 30.2 million was goodwill in the strict sense and the rest intangible assets.

Concession infrastructure: the balance of this heading decreased because of the sale of Sociedad Concesionaria Aguas de Navarra, S.A., which was concluded in October 2021 following compliance with the conditions precedent.

Property, plant and equipment: balance of EUR 222.9 million, up EUR 78.2 million from 2020 mostly following the addition of Pacadar Group, which contributed assets for this amount, of which EUR 38.1 million related to the allocation of the remainder of goodwill, net of depreciation.

Investments accounted for using the equity method: the balance in this item stood at EUR 167.2 million, down from EUR 295.1 million at 31 December 2020. The EUR 127.9 million decrease was the result of the sale of the investments in the Toledo Hospital and the Old War Office project companies. Moreover, due to the agreement to sell the stake in Centre Hospitalier de l'Université de Montréal (CHUM), subject to conditions precedent, EUR 32.5 million were transferred from non-current financial assets to non-current assets held for sale, of which EUR 2.8 million corresponded to the carrying amount of the interest and EUR 29.6 million to subordinated debt.

The most significant remaining investment included under this item is Centro Canalejas, a 50%-owned Group subsidiary valued at EUR 146.1 million. In addition to this amount, there is a EUR 52.0 subordinated loan receivable by **OHLA** included under non-current financial assets.

Non-current financial assets: a balance of EUR 163.6 million, down from EUR 306.9 million at year-end 2020; i.e. a decrease of EUR 143.3 million. Behind this were the events related to subsidiary **Cercanías Móstoles Navalcarnero S.A. ("Cemonasa**"), currently in liquidation and under the management of an insolvency administrator, which had receivables from the Madrid regional government (the "CAM") in August 2021 of EUR 18.3 million and that, in December 2021, pursuant to a decision by the CAM, announced the receipt of an additional EUR 188.9 million (including EUR 25.9 million of VAT).

In September, **OHLA** Group received EUR 18.0 million from Cemonasa, cancelling part of the outstanding balance. Given that receipt of the remaining amounts was considered imminent, EUR 135.6 million was reclassified to current financial assets. These amounts were collected in January 2022.

There are also outstanding receivables from the Old War Office project.

Trade and other receivables: the balance at 31 December 2021 totalled EUR 1,196.5 million, representing 38.8% of total assets.

Progress billings receivable amounted to EUR 504.4 million (2.2 months of sales), compared with EUR 511.3 million (2.2 months of sales) at 31 December 2020. The decrease was achieved thanks to ongoing monitoring of working capital.

Amounts to be billed for construction work performed totalled EUR 418.9 million (1.8 months of sales), compared with EUR 368.3 million at 31 December 2020 (1.6 months of sales).

Trade receivables decreased by EUR 53.5 million (2020: EUR 43.3 million) due to the trade receivables factored without recourse.

Other current financial assets amounted to EUR 334.8 million (2020: EUR 194.9 million), of which EUR 142.6 million are restricted assets, mainly the restricted deposit of EUR 140.0 million securing the Multiproduct Syndicated Facilities Agreement. Also included are EUR 50.8 million as performance bonds for certain projects being carried out in the US.

EUR 135.6 million are included following the reclassification from non-current financial assets of loans owed to the Group by Cercanías Móstoles Navalcarnero, which were paid in January 2022. The remaining EUR 5.8 million related to securities and other loans.

Other current assets: the balance of this item amounted to EUR 48.0 million, compared with a negative EUR 80.7 million at 31 December 2020, following completion of the dation in payment in February 2021 of Pacadar Group and Alse Park by the Villar Mir Group, thus reducing its debt with the Group. The outstanding receivable from Grupo Villar Mirasciende amounts to EUR 45.8 million, for which the Group recognised a provision of EUR 43.8 million.

Cash and cash equivalents: balance of EUR 507.5 million, of which EUR 147.5 million related to the temporary business associations or joint ventures (UTEs) in which the Group has interests.

Equity attributable to equity holders of the parent: EUR 642.9 million at year-end 2021, representing 20.9% of total liabilities and up EUR 179.3 million from 31 December 2020, due to the net impact of:

- Net attributable profit for 2021 of EUR 24.5 million.
- The Restructuring, which resulted in an increase in capital and reserves of EUR 129.9 million due to:
    - Cash Capital Increase of EUR 71.4 million
    - Debt-Equity Swap amounting to EUR 58.5 million
- Increase of EUR 24.9 million due to cash flow hedge reserves and other

Non-controlling interests amounted to a negative EUR 3.9 million.

Financial debt: comparison of debt as at 31 December 2021 with the figure as at 31 December 2020 is affected by the Restructuring, which affected both debt (due to the change in the terms and conditions of the Notes) and cash and cash equivalents (due to the capital increase net of transaction costs). The final figures are:

Gross debt[(1)]	31/12/21	%	31/12/2020	%	% chg.
Recourse debt	523.5	*100.0%*	697.9	*93.2%*	-25.0%
Non-recourse debt	0.0	*0.0%*	51.2	*6.8%*	-100.0%
Total	**523.5**		**749.1**		**-30.1%**

EUR m

(1) Gross debt includes non-current and current financial debt, which comprises bank borrowings and notes.

Net debt[(2)]	31/12/21	%	31/12/2020	%	% chg.
Recourse debt	-317.9	*99.7%*	33.6	*40.4%*	N/A
Non-recourse debt	-0.9	*0.3%*	49.6	*59.6%*	N/A
Total	**-318.8**		**83.2**		**N/A**

EUR m

(2) Net debt comprises gross borrowings less other financial assets and cash and cash equivalents, which includes EUR 135.6 million reclassified from "non-current" to "current" of loans to Cemonasa and other cash equivalents.

The following table illustrates the effect on gross recourse debt, which decreased by EUR 174.4 million:

Due to notes refinancing	
Net existing notes	590.0
Nominal amount of New Notes	487.3
Change	(102,7)
Fair value of New Notes (*)	(44.2)
Other changes	(27.5)
Final change	**(174.4)**

(*) Due to application of IFRS 9 and IFRIC 19

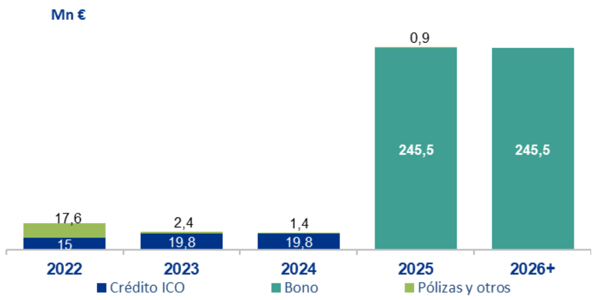
Although the Group reduced debt considerably, **recourse liquidity improved by EUR 177.1 million thanks primarily to cash generation from the business (outperforming previous years), asset sales, the debt-for-equity swap and the transfer of EUR 135.6 million to current financial assets from Cemonasa**.

Net recourse debt was EUR 351.5 million lower in December 2021 than December 2020, explained by the Group's overall performance.

Thanks to the sale of Sociedad Concesionaria Aguas de Navarra, the Group has virtually no gross non-recourse debt.

Of total gross financial debt, 93.2% is long-term and 6.8% short-term, mainly the bridge financing agreement (ICO) and the issue of New Notes. **The amounts owed on the bridge financing agreement (ICO) were repaid in full with the funds received from Cercanías Móstoles Navalcarnero on 4 February 2022. Meanwhile, on the same date, a partial tender offer was launched for a maximum amount of EUR 43.1 million of principal plus accrued interest payable**.

The maturity schedule of **OHLA**'s gross recourse debt, by nominal amount, is as follows:



4.3.- STATEMENT OF CASH FLOWS

The cash flow analysis presented in this section differs in certain cases from the requirements of IAS 7 to better understand business performance:

	2021	2020
EBITDA	**91.2**	**67.5**
Adjustments to profit/(loss)	**-48.8**	**-113.2**
Financial profit/(loss)	-36.2	-119.3
Share of profit/(loss) of companies accounted for using the equity method	-2.7	0.7
Income tax expense	-36.2	-23.0
Changes in provisions and others	26.3	28.4
Operating profit/(loss)	**42.4**	**-45.7**
Working capital changes	**-69.2**	**-110.1**
Trade and other receivables	-24.5	135.9
Trade and other payables	-3.6	-255.6
Other working capital changes	-41.1	9.6
Net cash flows used in operating activities	**-26.8**	**-155.8**
Net cash flows from investing activities	**185.7**	**17.3**
Non-controlling interests	-0.6	0.8
Other cash flows from investing activities	190.4	16.5
Non-current assets held for sale and discontinued operations	-4.1	0.0
Change in net non-recourse debt	**-0.8**	**-1.6**
Change in net recourse debt	**-351.5**	**140.1**
Note refinancing transaction	**143.2**	0.0
Net capital increase	**50.2**	0.0
Cash flows from/(used in) financing activities	**-158.9**	**138.5**

EUR m

EBITDA amounted to EUR 91.2 million in 2021, marking an improvement from the year before.

Adjustments to profit or loss totalled a negative EUR 48.8 million, leaving an **operating profit** of EUR 42.4 million compared to an operating loss of EUR 45.7 million in 2020, mostly driven by the improvement in net financial profit.

Working capital changes amounted to a negative EUR 69.2 million, marking an improvement from the negative EUR 110.1 million of the year before.

All these changes resulted in **net cash used in operating activities** of EUR 26.8 million, far lower than the EUR 155.8 million used the year before.

Cash flow from investing activities amounted to EUR 185.7 million, thanks to proceeds from disposals in 2021.

Net cash flows used in financing activities amounted to EUR 158.9 million, with a reduction of EUR 0.8 million in the Group's net non-recourse debt and a **reduction of EUR 351.5 million in net recourse debt**. The rest of the different related to the refinancing and capital increase carried out.

5. BACKLOG

The Group’s backlog as at 31 December 2021 stood at EUR 5,807.5 million, 17.0% above the figure at 31 December 2020.

The Group's **short-term backlog** stood at EUR 5,381.0 million, **19.4% higher** than at 31 December 2020, representing **23.2 months of sales** up from 19.1**.** This improvement was due to successful order intake in the period (new contract wins and extensions) amounting to EUR 3,696.8 million, up 33.9% year-on-year (book-to-bill of 1.3x).

The long-term backlog stood at EUR 426.5 million, broadly in line with the amount at 31 December 2020.

	31/12/21	%	31/12/2020	%	% chg.
Short-term	**5,381.0**		**4,505.4**		**19.4%**
Construction	4,796.2	89.1%	3,988.0	88.5%	20.3%
Industrial	75.8	1.4%	122.6	2.7%	-38.2%
Services	509.0	9.5%	394.8	8.8%	28.9%
Long-term	**426.5**		**456.7**		**-6.6%**
Infrastructure development	426.5	100.0%	456.7	100.0%	-6.6%
Total	**5,807.5**		**4,962.1**		**17.0%**

EUR m

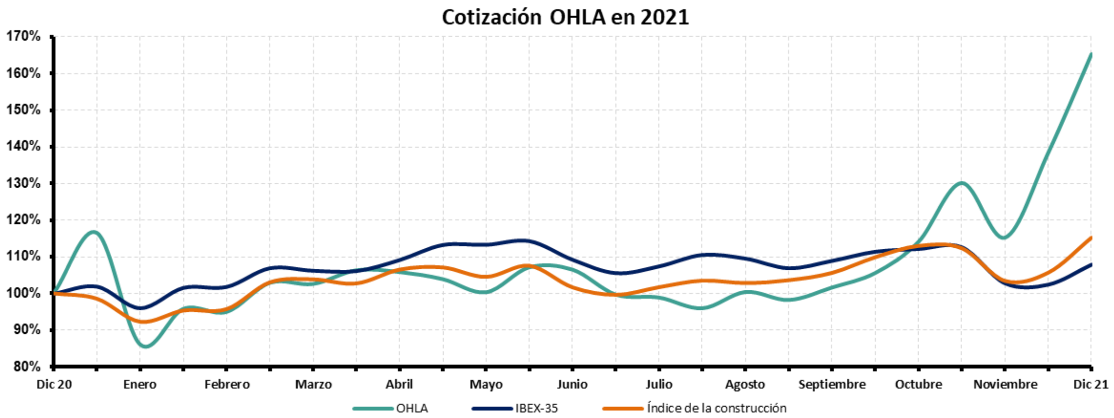
6. STOCK MARKET DATA

OHLA's share capital at 31 December 2021 amounted to EUR 147,781,145.75, represented by 591,124,583 shares of EUR 0.25 par value each, all of the same class and series. The share price ended December at EUR 1.02 after gaining 65.3% in the year.

A total of 466,157,325 shares were traded in 2021 (78.9% of total shares admitted to trading), with a daily average of 1,820,927 shares.

OHLA held 541,296 treasury shares at 31 December 2021, equivalent to 0.37% of current share capital.

	31/12/21
Closing price	1.02
OHL YTD performance	65.3%
Number of shares	591,124,583
Market capitalisation (EUR Mn)	602.9
Ibex 35 YTD performance	7.9%
Construction Index YTD performance	15.2%



On 28 June 2021 the Company completed the restructuring of the notes maturing in March 2022 and March 2023, issuing a new note maturing in March 2026. Key data on notes issued by **OHLA** are as follows:

Issuer	Maturity	Coupon	Outstanding balance	Price	YtM
OHL S.A.	March 2022	4.750%	-	-	-
OHL S.A.	March 2023	5.500%	-	-	-
OHLA OPERACIONES	March 2026	6.600%	487,3*	93.466%	10.356%

EUR m / Outstanding balance: the current balance of the principal of the notes, not considering the interest accrued to date

(*) Original issue amount

7. DEVELOPMENT

The Group did not undertake any investments in development projects or incur any significant development expenditure in 2021.

8. APPENDICES

8.1.- RECAPITALISATION AND DEBT RENEGOTIATION

On 28 June 2021, **OHLA** informed the market that all the transactions to carry out the restructuring envisaged in the Scheme of Arrangement had been completed. The main benefits of the transaction are as follows:

- **Reinforcement of shareholders' equity** of EUR 205.2 million thanks to the successful rights issue in the maximum range, the debt-equity swap and the proceeds from the transaction. The Group's reference shareholders also gave their support to the long-term strategy.
- **Reduction** in **OHLA's** **leverage** following the write-off and debt-equity swap agreed with the noteholders. The nominal amount of notes liability was reduced to EUR 487.3 million from EUR 592.9 million and this new note will have personal guarantees and security interests (i.e. Senior Secured Notes).
- **Extension of debt maturities:**
  - New note with maturity in March 2025 (50% maturity) and March 2026 (50% maturity), compared to the previous notes maturing in March 2022 and 2023.
  - 3-year extension of the maturity of the syndicated loan facility (ICO).

The transaction came alongside the creation of a new generation subsidiary, OHL Operaciones, which is owned and 100% backed by the Company and other Group companies. As part of the restructuring, **OHLA** has committed to contributing a substantial part of the business to OHL Operaciones ("Hive-down") and will regularly disclose to the market all relevant issues in relation to the Hive-down.

It may be concluded that the successful restructuring carried out by **OHLA,** its shareholders and stakeholders marks a major step forward in the Group's deleveraging, resulting in the Company's recapitalisation, enhancing its financial stability and facilitating the Group's short- and medium-term stability. Therefore, this opens a new phase that will bring better execution of **OHLA**'s Business Plan and shore up its liquidity, which must continue to be the main focus of all the Group's actions.

8.2.- HIGHLIGHTS / INSIDE INFORMATION / OTHER RELEVANT, REGULATED AND CORPORATE INFORMATION

- 21 January 2021: The Company announces an agreement for the Company's recapitalisation and renegotiation of certain Group borrowings.
- 21 January 2021: Recapitalisation of the Company. Presentation
- 25 January 2021: Downgrade by Fitch Ratings of OHL's corporate family rating and senior unsecured debt ratings.

- 26 January 2021: Downgrade by Moody's Ratings of OHL's probability of default rating (PDR) from Caa2-PD to Ca-PD.
- 5 February 2021: Announcement of extension of the deadline for early accession to the Lock-Up Agreement.
- 10 February 2021: Announcement of the status of noteholder accession to the Lock-Up Agreement and exercise of the backstop providers’ right under Option 2.
- 24 February 2021: Notice of call of the Extraordinary General Shareholders’ Meeting and temporary suspension of the Liquidity Agreement.
- 24 February 2021: OHL reports on the debt owed to the Company by Grupo Villar Mir, S.A.U. and Pacadar, S.A.U.
- 25 February 2021: OHL reports on the commitment made by the Group's main lender financial institutions to support the recapitalisation and renegotiation of certain Group borrowings.
- 16 March 2021: OHL reports on the Company's recapitalisation and renegotiation of certain Group borrowings: convening hearing in the UK court.
- 18 March 2021: OHL reports on the Company's recapitalisation and renegotiation of certain Group borrowings: outcome of the convening hearing in the UK court.
- 26 March 2021: Holding of the Extraordinary General Shareholders’ Meeting and announcement of the resolutions adopted.
- 29 March 2021: Publication of the Annual Corporate Governance Report and Annual Report on Directors’ Remuneration for 2020.
- 9 April 2021: OHL reports on the Company's recapitalisation and renegotiation of certain Group borrowings: Scheme Meeting of Creditors.
- 13 April 2021: OHL reports on the sale of the ownership interest in the Nuevo Hospital de Toledo concession company.
- 13 April 2021: Moody's maintains OHL's corporate family rating and the rating of its two notes issues, appending the limited default ("/LD") indicator to the Ca-PD probability of default rating (PDR).
- 15 April 2021: OHL reports on the Company's recapitalisation and renegotiation of certain Group borrowings: Order of Approval of Scheme.
- 22 April 2021: OHL reports on the share capital reduction: entry in the Madrid Companies Register of the share capital reduction deed (and consequent Bylaw amendment). Reduction of par value to EUR 0.25 per share (from EUR 0.60 per share).
- 3 June 2021: The Company informs about the prospectus and the implementation of the Rights Issue.
- 11 June 2021: OHL discloses to the market that it is in advanced talks for the sale of its entire (49%) shareholding in the Old War Office project to its current partner.
- 24 June 2021: The Company discloses the sale of its stakes in the Old War Office project.
- 24 June 2021: The Company discloses the final cash amount of the Right Issue and the Private Placement.
- 25 June 2021: The Company reports that the deeds of implementation of the Cash Capital Increases and the Debt-Equity Swap have been executed today.

- 28 June 2021: The Company informs about the admission to trading of the 304,576,294 new OHL shares.
- 28 June 2021: The Company informs that all transactions foreseen to conclude the Restructuring have been completed today.
- 29 June 2021: OHL informs that the 304,576,294 new shares corresponding to the Rights Issues are already listed.
- 6 July 2021: Moody's upgrades OHL's corporate family rating (CFR) to Caa1, positive outlook, and the probability of default rating (PDR) to Caa1-PD, removing the appendix "LD".
- 13 July 2021: The Company announced the launch of the new **OHLA** brand and change of the ticker.
- 29 July 2021: The Company reports changes in the composition of the Board of Directors and Committees
- 16 September 2021: Fitch upgrades **OHLA**'s long-term IDR to "CCC+" from "RD". The Company also reports that, for business reasons, it has cancelled the agreement with Fitch Ratings.
- 18 October 2021: The Company reports that the court certification of the refinancing agreement related to the Restructuring was approved by Madrid Commercial Court No. 2.
- 19 October 2021: **OHLA** discloses the sale of its ownership interest in Centre Hospitalier de l'Université de Montréal (CHUM), subject to securing the pertinent approvals.
- 30 November 2021: The Company submits its Regulations of the General Shareholders' Meeting and the Regulations of the Board of Directors.
- 28 December 2021: The Company reports about the payment received from by subsidiary Cercanías Móstoles Navalcarnero, S.A. (CEMONASA) from the Madrid regional government.

8.3.- KEY INSIDE INFORMATION / OTHER RELEVANT, REGULATED AND CORPORATE INFORMATION AFTER THE REPORTING PERIOD

- 4 February 2022: The Company discloses that, as agreed with its financial creditors in the framework of the process of recapitalisation and renegotiation of its debt, it will reduce its financial debt.
- 9 February 2022: The Company announces the signing of a relationship protocol between **OHLA** Group and CAABSA Group for their construction operations.

8.4.- PROJECT SUBSIDIARIES

Company	% stake	Total assets	% of Group total	EBITDA	% of Group total	Gross debt	(-) Cash	(-) Cash equivalents	Net debt
Senda Infraestructuras, S.L.	100.0%	11.1	0.4%	(0.7)	(0.8%)	-	-	-	-
Marina Urola, S.A.	51.0%	1.4	0.0%	0.2	0.2%	-	(0.5)	-	(0.5)
Sociedad Concesionaria Aguas de Navarra, S.A.	65% (*)	-	-	4.1	4.5%	-	-	-	-
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	100.0%	20.4	0.7%	0.2	0.2%	-	(0.3)	-	(0.3)
Mantohledo, S.A.	100.0% (*)	-	-	0.5	0.6%	-	-	-	-

Company	% stake	Carrying amount
Nova Dársena Esportiva de Bara, S.A.	50.0%	8.3
Navarra Gestión del Agua, S.A. (*)	30.0% (*)	-
Nuevo Hospital de Burgos, S.A. (*)	20.8%	-
Nuevo Hospital de Toledo, S.A. (*)	33.3% (*)	-
Health Montreal Collective Limited Partnership (***)	25.0%	32.5
Torc Sustainable Housing Holdings Limited	5.0%	-
Cercanías Móstoles Navalcarnero, S.A. (**)	100.0% (**)	185.8
Aeropistas, S.L. (**)	100.0% (**)	18.6

(*) Companies sold in the period.

(**) Companies in insolvency proceedings.

(***) Classified as held for sale.

Carrying amount includes interest, profit participating loans and non-current loans and borrowings.

8.5.- ALTERNATIVE PERFORMANCE MEASURES

OHLA Group reports its results in accordance with International Financial Reporting Standards (IFRSs) and also uses the following Alternative Performance Measures (APM) to enhance readers' understanding and comparability of the financial information. To comply with guidelines issued by the European Securities and Markets Authority (ESMA), we hereby disclose the following:

EBIT: calculated based on the following consolidated statement of profit or loss items: revenue, other operating income, operating expenses, staff costs, amortisation and depreciation, and changes in provisions.

This is a statement of profit or loss item used as a measure of a company's ordinary profitability.

	EUR m	
	Year ended 31 December 2021	Year ended 31 December 2020
Revenue	2,778.6	2,830.7
Other operating income	125.7	51.2
Operating expenses	-1,998.5	-2,059.3
Staff costs	-814.6	-755.1
Amortisation and depreciation	-77.5	-74.5
Change in provisions	10.8	-1.5
TOTAL EBIT	**24.5**	**-8.5**

EBITDA: operating profit before amortisation and depreciation and changes in provisions.

This measure is used by the Group and by economic and financial analysts as an indicator of the business' cash generation ability.

	EUR m	
	Year ended 31 December 2021	Year ended 31 December 2020
EBIT	24.5	-8.5
(-) Amortisation and depreciation	77.5	74.5
(-) Change in provisions	-10.8	1.5
TOTAL EBITDA	**91.2**	**67.5**

Recourse EBITDA: total EBITDA, including interest income and excluding certain non-recurring losses arising from other expenses, in certain cases with no effect on cash (e.g. contract revision losses, collective redundancy procedures), less EBITDA of project companies, and including dividends paid to the parent by the project companies.

This measure is included in the Terms and Conditions document of the 2021 Notes issue as a metric to be provided to issuers.

	EUR m	
	Year ended 31 December 2021	Year ended 31 December 2020
TOTAL EBITDA	91.2	67.5
(+) Interest income	16.1	17.9
(-) EBITDA of project companies	-4.3	-4.5
(-) Finance income of project companies	-	-
(+) Dividends from project companies	2.1	-
(-) Non-recurring expenses	-	-
TOTAL RECOURSE EBITDA	**105.1**	**80.9**

Project companies: companies designated as such by the Group in accordance with the Terms and Conditions of the 2021 Notes issue, for whose debt there is no recourse to the parent, OHL, S.A.

Gross debt: non-current and current borrowings under liabilities on the consolidated balance sheet, including bank borrowings and bonds.

This is a financial indicator widely used to measure companies' gross leverage.

	EUR m	
	Dec 21	Dec 20
Issue of notes and other marketable securities (non-current)	444.6	589.6
Bank borrowings (non-current)	43.4	52.9
Issue of notes and other marketable securities (current)	9.5	8.8
Bank borrowings (current)	26.0	97.8
TOTAL GROSS DEBT	**523.5**	**749.1**

Net debt: gross debt less other current assets and cash and cash equivalents on the assets side of the consolidated balance sheet

This is a financial indicator widely used to measure companies' net leverage.

	EUR m	
	Dec 21	Dec 20
GROSS DEBT	523.5	749.1
(-) Current financial assets (*)	-334.8	-194.9
(-) Cash and cash equivalents	-507.5	-471.0
TOTAL NET DEBT	**-318.8**	**83.2**

(*) Includes EUR 135.6 million from Cercanías Móstoles Navalcarnero S.A. reclassified from non-current assets.

Non-recourse debt (gross or net): debt (gross or net) of companies designated as non-recourse by the Group.

This is a measure of the gross leverage of project companies.

Debt with recourse (gross or net): total debt (gross or net) less non-recourse debt (gross or net).

This is a measure of the net leverage of project companies.

Backlog: short-and long-term unearned revenue from contracts awarded. Once they have been formalised, these contracts are included in the backlog and represent the estimated amount of the Group's future revenue.

Short-term backlog: represents the estimated unearned Construction, Industrial and Services revenue, and also includes expected revenue from changes in contracts or additional work estimated on the basis of the percentage of completion of the projects.

Long-term backlog: represents the estimated future revenue of the concessions, over the concession term, based on the related financial plan and including estimates of changes in the exchange rates between the euro and other currencies, inflation, prices, tolls and traffic volumes.

Market capitalisation: number of shares at the end of the period multiplied by the share price at the end of the period.

	Dec 21
Number of shares at end of period	591,124,583
Share price at end of period	1.020
MARKET CAP (EUR m)	**602.9**

Earnings per share (EPS): profit or loss attributable to the Parent divided by the average number of shares in the period.

This indicator is widely used by investors and analysts of listed companies.

	EUR m
	Dec 21
Profit/(loss) attributable to equity holders of the parent	24.5
Average number of shares	463,607,040
EARNINGS PER SHARE (EUR)	**0.05**

P/E ratio: share price at the end of the period divided by the earnings per share for the last 12 months.

This indicator is widely used by investors and analysts of listed companies.

	Dec 21
Share price at end of period	1.020
Earnings per share	0.05
P/E ratio	**19.30**

The above financial indicators and alternative performance measures (APMs), the use of which facilitates a better understanding of the financial information, are calculated by applying the principles of consistency and uniformity, which allows comparability between periods.