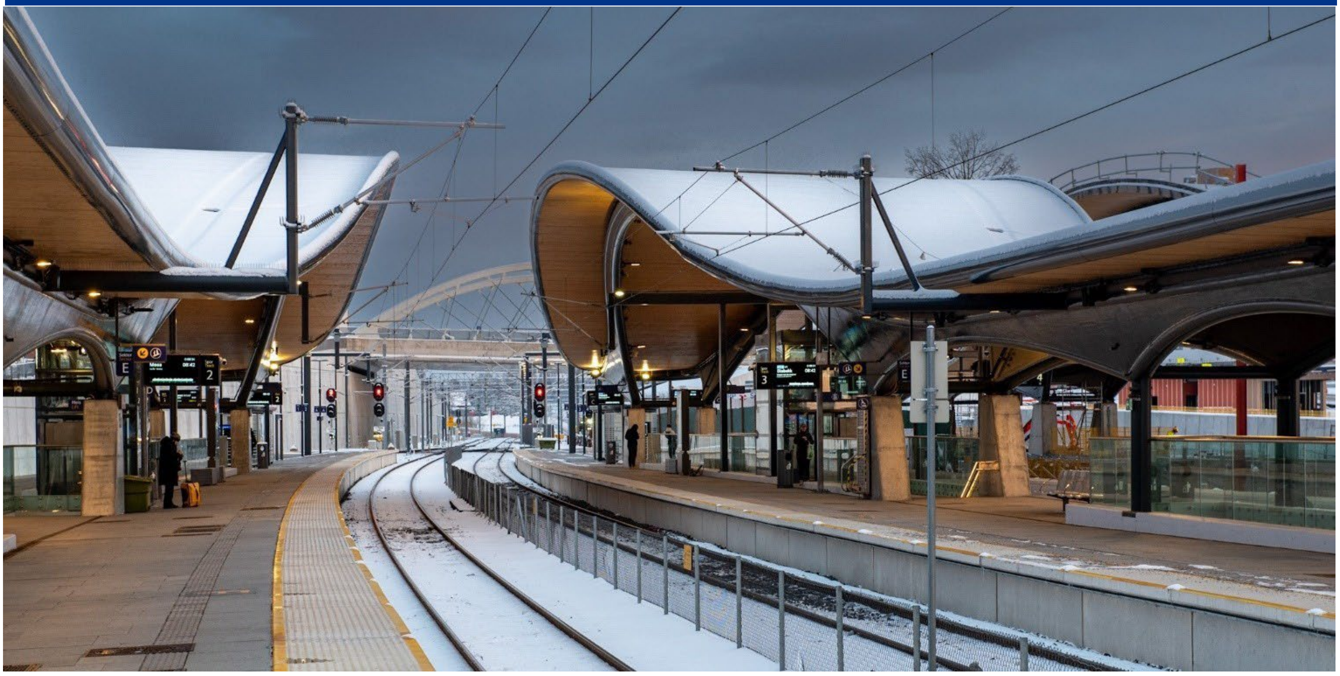

OBRASCÓN HUARTE LAIN, S.A.

Financial Statements and Management Report for the year ended 31 December 2022, together with the Independent Auditor's report

Audit Report on the Financial Statements issued by an Independent Auditor

OBRASCÓN HUARTE LAIN, S.A.
Financial Statements and Management Report for the year ended 31 December 2022
(Free translation from the original in Spanish)

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
Fax: 915 727 238
ey.com

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of an audit report and Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish- language version prevails (See note 22)

To the shareholders of OBRASCÓN HUARTE LAIN, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of OBRASCÓN HUARTE LAIN, S.A. (the "Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss, the statement of changes in equity, the statement of cash flows, and the notes thereto, for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework in Spain (identified in Note 2.1 to the accompanying financial statements) and, in particular, the accounting principles and policies set forth therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned regulations.

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

Material uncertainty related to going concern

We draw attention to the disclosures in Note 9.8 to the accompanying financial statements regarding liquidity risk, which states, among other things, that the Company's directors are monitoring the liquidity position, focusing especially on cash flow generation from the businesses and improvement of working capital.

Registered address: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - On file at the Madrid Mercantile Register, tome 9,364 general section 8,130 of section 3 of the Companies Book, folio 68, page 87.690- 1, 1st entry. Madrid 9 March 1989. A member firm of Ernst & Young Global Limited.

That Note also says that there are aspects that could give rise to uncertainties regarding execution of the business plan in 2023 and, therefore, result in deviations and occasional liquidity stress, which could have a serious impact on OHLA Group's forecasts. Management is working to secure the release of part of its restricted cash and/or obtain temporary financing, so that it will have sufficient financial coverage to ensure the Company's liquidity. These circumstances, in addition to others mentioned in that Note, imply a material uncertainty that could cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter paragraph

We draw attention to Note 13.3.2 to accompanying financial statements regarding the arbitration proceedings of which the Company is party related to the Hospital de Sidra (Qatar) project. As described in that Note, partial awards have been made but the outcome of the arbitration as a whole is still uncertain. Despite the uncertainties, the directors have drawn the conclusion that it is unlikely that the Company will suffer any additional economic loss. Accordingly, there is an uncertainty at present that could affect the final resolution of the arbitration, so the Company's directors could have to modify their estimate significantly in future periods. Our opinion is not modified in respect of this matter.

Key audit matters

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

In addition to the matter discussed under the *Material uncertainty for a going concern* section, we determined that the circumstances described below are key audit matters that would require disclosure in our audit report.

Recognition of revenue from construction contracts

Description

As described in Note 4.10 to the accompanying financial statements, revenue is recognised using the percentage of completion method. Under this method, revenue is recognised based on costs incurred relative to total costs to be incurred. This requires measuring the proportion that costs incurred bear to total budgeted costs at the measurement date, and recognising revenue and margins in proportion to the total expected revenue and margins.

The recognition of revenue from these contracts requires Company management to make significant estimates regarding, *inter alia*, the total costs required to perform the contract or the estimate of the margin considered in forecast revenue and estimated costs to be incurred, as well as the amount of any potential modifications and claims over the original contract that will finally be accepted by the customer.

Due to the significance of the amounts involved, since this affects a considerable amount of total "Revenue" and the measurement of amounts to be billed for construction work performed, recognised in "Trade and other receivables" amounting to EUR 162,321 thousand at 31 December 2022, as well as the complexity inherent in these estimates, which require Company management to make judgements in determining the assumptions considered, such that changes in these assumptions could give rise to material differences in the revenue recorded, we determined this to be a key audit matter.

Information on the measurement bases used for these assets and the related disclosures on revenue are provided in Notes 4.10, 9.3 and 17.1 to the accompanying financial statements.

Our

response In relation to this matter, our audit procedures included:

- Understanding the process used by Company management and directors for revenue recognition and evaluating the design, implementation and operating effectiveness of the relevant controls established in that process.
- Selecting a sample of projects considering both quantitative and qualitative criteria, for which we obtained the related contracts to read and understand the most relevant clauses and their implications.
- Evaluating, for those contracts, the reasonableness of the assumptions used by Company management that affect revenue recognition by holding meetings with technical staff and managers in charge of carrying out projects, and analysing the reasons for any deviations between planned and actual costs and their impact on the estimate of the projects' margins.
- Analysing trends in margins relative to changes in selling prices and total budgeted costs.
- Evaluating the reasonableness of the estimate of amounts to be billed for construction work performed recognised as revenue at year-end, by verifying the situation of negotiations with customers of the main contracts and reviewing the reasonableness of the documentation supporting the probability of their recovery.
- Reviewing the disclosures made in the notes to the financial statements in conformity with the applicable financial reporting framework.

Other information: Management report

Other information refers exclusively to the 2022 management report, the preparation of which is the responsibility of the Company’s directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that certain information included in the non-financial statement, certain information in the Annual Corporate Governance Report and the Annual Report on Director Remuneration, as defined in the Audit Law, was provided in the manner as stipulated in the applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the Company obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have verified that the information referred to in a) above has been provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2022 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the Audit and Compliance Committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the financial reporting framework applicable to the Company in Spain, identified in Note 2.1 to the accompanying financial statements, and for such internal control as they determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit and Compliance Committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

We communicate with the Entity's Audit and Compliance Committee regarding, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Entity's Audit and Compliance Committee with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Entity's Audit and Compliance Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European Single Electronic Format

We have examined the digital file of the European single electronic format (ESEF) of Obrascón Huarte Lain, S.A. for the 2022 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Obrascón Huarte Lain, S.A. are responsible for submitting the annual financial report for the 2022 financial year in accordance with the format requirements set out in the European Commission Delegated Regulation (EU) 2019/815, of 17 December 2018 (the "ESEF Regulation").

Our responsibility consists of examining the digital file prepared by the Company's directors in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the Audit and Compliance Committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Audit Committee on 27 April 2023.

Term of engagement

At the Annual General Meeting held on 15 June 2020, we were appointed auditor for three years, from the year ended 31 December 2021.

ERNST & YOUNG, S.L.
(Registered in Spain's Official Register of Auditors
under No. S0530)

(Signed on the original Spanish version)

____
José Enrique Quijada Casillas
(Registered in the Official Register of Auditors
under entry no. 15310)

27 April 2023

OBRASCÓN HUARTE LAIN, S.A.

Separate financial statements for the year ended 31 December 2022

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FINANCIAL STATEMENTS

SEPARATE FINANCIAL STATEMENTS

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

EUR thousand

Statement of financial position as at 31 December 2022 and 2021

ASSETS	Note	31/12/2022	31/12/2021
NON-CURRENT ASSETS			
Intangible assets	5		
Development expenditure		-	886
Patents, licenses, trademarks and similar rights		11	12
Computer software		2.422	2.880
Other intangible assets		615	222
		3.048	**4.000**
Property, plant and equipment	6		
Land and buildings		722	726
Machinery and technical installations		23.565	8.340
Other installations, equipment and furniture		4.357	3.847
Investments in concessions		34	35
Other property, plant and equipment		13.283	6.034
Property, plant and equipment under construction and advances		-	-
		41.961	**18.982**
Investment properties			
Land		4	4
Buildings		772	787
		776	**791**
Non-current investments in group companies and associates			
Equity instruments	8	1.329.824	1.397.248
Loans to companies	9.1	84.902	86.234
		1.414.726	**1.483.482**
Non-current financial assets	9.2		
Equity instruments		13	13
Loans to third parties		-	2.068
Debt securities		2.091	1.168
Derivatives		313	399
Other financial assets		10.052	5.302
		12.469	**8.950**
Deferred tax assets	15.5	**36.998**	**35.822**
TOTAL NON-CURRENT ASSETS		**1.509.978**	**1.552.027**
CURRENT ASSETS			
Inventories	10		
Raw materials and other supplies		13.975	14.144
Auxiliary shop projects and site installations		18.346	17.744
Advances to suppliers and subcontractors		16.940	14.881
		49.261	**46.769**
Trade and other receivables			
Trade receivables	9.3	314.451	226.872
Trade receivables from group companies	9.4	17.504	20.978
Trade receivables from associates	9.5	6.247	4.841
Other receivables		21.917	21.949
Employee receivables		876	573
Current tax assets	15.1	29.418	30.002
Other receivables from public authorities	15.1	12.858	10.348
		403.271	**315.563**
Current investments in group companies and associates	9.6		
Loans to companies		117.549	109.508
Other financial assets		49.807	148.637
		167.356	**258.145**
Current financial assets	9.7		
Equity instruments		3	3
Loans to companies		2	15.879
Other financial assets		180.644	145.190
		180.649	**161.072**
Current prepayments and accrued income		**17.479**	**17.429**
Cash and cash equivalents	11		
Cash		85.029	119.000
Cash equivalents		6.236	2.796
		91.265	**121.796**
TOTAL CURRENT ASSETS		**909.281**	**920.774**
TOTAL ASSETS		**2.419.259**	**2.472.801**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of financial position as at 31 December 2022.

EUR thousand

Statement of financial position as at 31 December 2022 and 2021

Equity and liabilities	Note	31/12/2022	31/12/2021
EQUITY			
CAPITAL AND RESERVES			
Capital			
Registered capital	12.1	147.781	147.781
Share premium	12.3	1.328.128	1.328.128
Reserves			
Legal and bylaw reserves	12.2	29.556	29.556
Other reserves	12.4	127.419	111.462
(Own shares and equity holdings)	12.6	-341	-504
Prior years' losses		-785.834	-809.524
Profit/(loss) for the year	3	-66.079	23.690
TOTAL CAPITAL AND RESERVES		**780.630**	**830.589**
GRANTS, DONATIONS AND BEQUESTS RECEIVED	12.7	**-**	**154**
TOTAL EQUITY		**780.630**	**830.743**
NON-CURRENT LIABILITIES			
Non-current provisions	13.1		
Long-term employee benefits		2.158	863
Other provisions		21.813	30.737
		23.971	**31.600**
Loans and borrowings	14.1		
Bank borrowings		18	38.718
Finance lease payables	7.1	195	-
Other financial liabilities		14.591	6.023
		14.804	**44.741**
Loans and borrowings from group companies and associates	14.2	**532.662**	444.642
Deferred tax liabilities	15.6	**4.570**	**5.024**
TOTAL NON-CURRENT LIABILITIES		**576.007**	**526.007**
CURRENT LIABILITIES			
Provisions	13.1	**123.681**	**148.850**
Loans and borrowings	14.1		
Bank borrowings		9.055	25.177
Finance lease payables	7.1	145	-
Other financial liabilities		20.605	7.654
		29.805	**32.831**
Current loans and borrowings with group companies and associates	14.2	**258.760**	**344.252**
Trade and other payables			
Trade payables		276.093	240.081
Trade notes payable		41.895	35.398
Trade payables to group companies	14.3.2	27.323	16.801
Trade payables to associates	14.3.2	9.244	25.487
Personnel (salaries payable)		10.898	10.782
Current tax liabilities	15.1	5.365	7.157
Other payables to public authorities	15.1	28.393	21.469
Advances from customers	9.3	251.165	232.943
		650.376	**590.118**
TOTAL CURRENT LIABILITIES		**1.062.622**	**1.116.051**
TOTAL EQUITY AND LIABILITIES		**2.419.259**	**2.472.801**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of financial position as at 31 December 2022.

OBRASCÓN HUARTE LAIN, S.A. EUR thousand

Statement of profit or loss for the years ended 31 December 2022 and 2021

	Note	2022	2021
Revenue	17.1		
Sales		503.971	443.803
Share of sales at UTEs		234.422	150.018
		738.393	593.821
Change in inventories of auxiliary shops and site facilities		603	(406)
Cost of sales:	17.2		
Cost of construction materials and machinery parts used		(116.580)	(86.216)
Subcontracted work		(378.321)	(337.491)
Inventory write-downs		-	-
Other operating income:	17.1		
Non-trading and other operating income		79.281	96.256
Grants related to income recognised in profit or loss		320	577
Staff costs:			
Salaries, wages and similar		(138.206)	(122.604)
Employee benefits expense		(23.151)	(21.568)
Other operating expenses:			
External services		(150.494)	(132.150)
Taxes other than income tax		(10.855)	(4.736)
Losses on, impairment of and changes in trade provisions	17.4	28.507	6.700
Other operating expenses		(607)	(2.661)
Amortisation and depreciation	4.4, 5 and 6	(9.841)	(5.637)
Provision surpluses		4.397	-
Impairment and gains/(losses) on disposals of property, plant and equipment			
Impairment and losses		-	1
Gains/(losses) on disposals and other	5 and 6	1.724	1.585
I. OPERATING PROFIT/(LOSS)		**25.170**	**(14.529)**
Finance income:			
From investments in equity instruments			
Group companies and associates	18.1	6.143	15.978
Third parties	17.5	9	10
From marketable securities and other financial instruments:			
Group companies and associates	18.1	9.059	7.096
Third parties	17.5	3.716	104.533
Finance costs:			
On loans and borrowings from group companies and associates	18.1	(73.775)	(40.395)
On loans and borrowings from third parties	17.5	(15.131)	(58.072)
Remeasurement of financial instruments at fair value			
Fair value through profit or loss		188	(33)
Exchange differences		(19.980)	(11.406)
Impairment and gains/(losses) on disposal of financial instruments	17.6		
Impairment and losses		13.730	(20.187)
Gains/(losses) on disposals and other		(5.052)	49.248
II. FINANCIAL PROFIT/(LOSS)		**(81.093)**	**46.772**
III. PROFIT/(LOSS) BEFORE TAX (I+II)		**(55.923)**	**32.243**
Income tax expense	15.2	(10.156)	(8.553)
IV. PROFIT/(LOSS) FOR THE YEAR		**(66.079)**	**23.690**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of profit or loss for the year ended 31 December 2022.

EUR thousand

Statement of changes in equity for the years ended 31 December 2022 and 2021

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 December 2022 AND 2021

	2022	2021
PROFIT/(LOSS) FOR THE YEAR	**(66.079)**	**23.690**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY:	**-**	**11**
Grants, donations and bequests received	-	15
Tax effect	-	(4)
AMOUNTS TRANSFERRED TO PROFIT OR LOSS:	**(154)**	**(298)**
Grants, donations and bequests received	(206)	(397)
Tax effect	52	99
TOTAL RECOGNISED INCOME/(EXPENSE)	**(66.233)**	**23.403**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of changes in equity for the year ended 31 December 2022.

EUR thousand

Statement of changes in equity for the years ended 31 December 2022 and 2021

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

	Capital and reserves							
	Capital	Share premium	Reserves	(Own shares and equity holdings)	Retained earnings (prior years' losses)	Profit/(loss) for the year	Grants donations and bequests	Total equity
Closing balance at 31 December 2020	**171.929**	**1.265.300**	**60.726**	**(406)**	**(604.321)**	**(205.203)**	**441**	**688.466**
Total recognised income/(expense)	**-**	**-**	**-**	**-**	**-**	**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**
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**
Total recognised income/(expense)	**-**	**-**	**-**	**-**	**-**	**(66.079)**	**(154)**	**(66.233)**
Transactions with equity holders or owners	-	-	(342)	163	-	-	-	**(179)**
Transactions with shares or own equity instruments (net)	-	-	(342)	163	-	-	-	**(179)**
Other changes in equity	**-**	**-**	**16.299**	**-**	**23.690**	**(23.690)**	**-**	**16.299**
Closing balance at 31 December 2022	**147.781**	**1.328.128**	**156.975**	**(341)**	**(785.834)**	**(66.079)**	**-**	**780.630**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of changes in equity for the year ended 31 December 2022.

EUR thousand

Statement of cash flows for the years ended 31 December 2022 and 2021

	2022	2021
A) NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**(21.388)**	**(164.111)**
Profit/(loss) before tax	**(55.923)**	**32.243**
Adjustments for:	**57.946**	**(48.302)**
(+) Amortisation and depreciation	9.841	5.637
(+/-) Other adjustments to profit/(loss), net (see Note 20.3)	48.105	(53.939)
Working capital changes	**46.556**	**(81.120)**
Other cash flows used in operating activities:	**(69.967)**	**(66.932)**
(-) Interest paid	(52.924)	(97.535)
(+) Dividends received	6.152	8.132
(+) Interest received	8.088	16.453
(+/-) Income tax recovered/(paid)	(9.378)	(3.669)
(+/-) Other amounts received from/(paid for) operating activities	(21.905)	9.687
B) NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**122.514**	**100.509**
Payments for investments:	**(30.121)**	**(12.073)**
(-) Group companies, associates and business units	(12.919)	(62)
(-) Property, plant and equipment, intangible assets and investment properties	(10.671)	(8.154)
(-) Other financial assets	(6.531)	(3.857)
Proceeds from sale of investments:	**152.635**	**112.582**
(+) Group companies, associates and business units	119.376	108.370
(+) Property, plant and equipment, intangible assets and investment properties	1.202	1.639
(+) Other financial assets	32.057	2.573
C) NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**(131.657)**	**31.069**
Proceeds from (and payments for) equity instruments:	**(179)**	**71.441**
(+) Issue	-	71.398
(-) Acquisition	(17.215)	(8.327)
(+) Disposal	17.036	8.355
(+) Government grants	-	15
Proceeds from (and payments for) financial liability instruments	**(54.822)**	**(40.372)**
(+) Issue	2.849	1.964
(-) Redemption and repayment	(57.671)	(42.336)
Dividends and interest on other equity instruments paid	**-**	**-**
Other cash flows from/(used in) financing activities	**(76.656)**	**-**
D) NET FOREIGN EXCHANGE DIFFERENCE	-	-
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(30.531)**	**(32.533)**
F) CASH AND CASH EQUIVALENTS AT 1 JANUARY	**121.796**	**154.329**
G) CASH AND CASH EQUIVALENTS AT 31 DECEMBER (E+F)	**91.265**	**121.796**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of cash flows for the year ended 31 December 2022.

OBRASCÓN HUARTE LAIN, S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 December 2022

1. CORPORATE INFORMATION

Obrascón Huarte Lain, S.A. ("OHL" or the "Company"), 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.

The operations are primarily carried out in Spain, Latin America and elsewhere in Europe.

2. BASIS OF PREPARATION

2.1 Financial reporting framework applicable to the Company

The accompanying financial statements were prepared by the directors in accordance with the financial reporting framework applicable to the Company, which is set out in:

a) The Spanish Commercial Code and other company law.

b) The Spanish General Accounting Plan (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, of 16 November, and subsequent amendments, the latest through Royal Decree 1/2021, of 12 January, and industry adaptations.

c) Mandatory standards approved by the Spanish Accounting and Auditing Institute (*Instituto de Contabilidad y Auditoría de Cuentas*) in implementing the General Accounting Plan and its implementing regulations.

d) All other applicable Spanish accounting regulations.

2.2 True and fair view

The accompanying financial statements were obtained from the Company's accounting records, which included the temporary business associations (UTEs) in which it has interests, and are presented in accordance with the financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, give a true and fair view of the Company's equity, financial position, results of operations and cash flows for the year. These financial statements, which were authorised for issue by the Company's directors, will be submitted for approval by shareholders at the Annual General Meeting. They are expected to be approved without any changes. The 2021 separate financial statements were approved at the Annual General Meeting held on 02 June 2022.

As Obrascón Huarte Lain, S.A. is the head of a group of companies which make up the Obrascón Huarte Lain Group, under current legislation it must prepare consolidated financial statements separately. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The 2022 consolidated financial statements of Obrascón Huarte Lain, S.A. and Subsidiaries prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) show consolidated attributable equity of EUR 558,399 thousand and consolidated assets and loss attributable to the Parent of EUR 3,194,314 thousand and EUR 96,840 thousand, respectively.

Obrascón Huarte Lain Group's 2022 consolidated financial statements, authorised for issue by the directors, will also be submitted for approval at the Annual General Meeting. The 2021 separate financial statements were approved at the Annual General Meeting Shareholders's held on 02 June 2022.

2.3 Non-mandatory accounting policies applied

No non-mandatory accounting policies were applied.

The directors have authorised for issue these financial statements taking into account all the mandatory accounting principles and standards with a significant effect thereon. All mandatory accounting principles were applied.

2.4 Comparative information

In accordance with company law, for comparative purposes the Company presents for each item of the statement of financial position, the statement of profit or loss, the statement of changes in equity and the statement of cash flows, in addition to the figures for 2022, those for the previous period. Quantitative information for the previous period is also included in the notes to the financial statements unless an accounting standard specifically states that this is not required.

2.5 Critical issues regarding the measurement and estimation of uncertainty

The preparation of these financial statements required the Company's directors to make estimates that affect the reported amounts of certain assets, liabilities, revenue, expenses and obligations recognised therein. These estimates relate basically to:

- The useful life of intangible assets and property, plant, and equipment, and impairment losses thereon (see Notes 4.1, 4.2 and 4.3).

- The assessment of possible impairment losses on certain assets (see Note 4.3).
- The recognition of construction contract revenue and contract costs (see Note 4.10).
- The amount of certain provisions (see Notes 4.11 and 13).
- The fair value of certain financial instruments (see Note 9).
- The assessment of potential contingencies for employment, tax and legal risks (see Notes 4.12, 13 and 15.7).
- Financial risk management (see Note 9.8).

Although these estimates were made based on the best information available at year-end 2022 regarding the facts analysed, future events may require these estimates to be modified (upwards or downwards) in subsequent reporting periods. Any changes in accounting estimates would be applied prospectively.

3. PROPOSED DISTRIBUTION OF LOSS

The distribution of loss for the year proposed by the directors of Obrascón Huarte Lain, S.A. to be submitted for approval by shareholders at the General Meeting is as follows:

	EUR thousand
2022 loss	**(66,079)**
Distribution:	
Prior years' losses	(66,079)

4. ACCOUNTING POLICIES

The main accounting policies used by the Company in preparing the annual financial statements in accordance with the 2007 General Accounting Plan (*Plan General de Contabilidad*) and its industry adaptation to construction companies in the 1990 General Accounting Plan, which are still effective in all matters that do not contravene the provisions of the new General Accounting Plan, were as follows:

4.1 Intangible assets

As a general rule, intangible assets are measured on initial recognition at acquisition or production cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

All of the Company's intangible assets have a finite useful life.

Development expenditure

The Company capitalises development expenditures incurred during the year that meet the following conditions:

- They are itemised by project and the cost can be clearly determined.

- There is evidence of the project's technical success and economic and commercial feasibility.

The related assets are amortised on a straight-line basis over their estimated useful life (for a period of up to five years).

Where there are doubts about the project's technical success and economic feasibility, any amounts capitalised are recognised directly in profit or loss for the period.

Industrial property

This item includes costs incurred to obtain the ownership of, or rights to use, the various types of intellectual property, including patents, utility model certificates, industrial designs and plant patents.

Intellectual property is measured at acquisition or production cost, which includes the development expenditure incurred and capitalised when the outcome is successful and the property is placed on file in the appropriate register, and the intellectual property registration and formalisation costs. Research costs are not included under any circumstances.

These assets are amortised on a straight-line basis over the estimated useful life, which is determined primarily by the period of protection.

Computer software

This item includes mainly costs arising from the installation and acquisition of computer software, which is amortised on a straight-line basis over a maximum period of four years.

4.2 Property, plant and equipment

Property, plant and equipment are measured at cost, revalued in accordance with applicable legal provisions, including Royal Decree-Law 7/1996, net of accumulated depreciation and impairment losses, of any, as explained in Note 4.3.

Costs incurred to enlarge, upgrade or improve property, plant and equipment which increase productivity, capacity or extend the useful life of the asset are capitalised as an increase in the cost of the asset.

Upkeep and maintenance costs are expensed currently.

Self-constructed property, plant and equipment are recognised at the accumulated cost, calculated by adding external costs and internal costs determined on the basis of the materials consumed in-house, direct labour incurred and manufacturing overheads.

The Company depreciates its property, plant and equipment on a straight-line basis over the estimated useful lives of the assets.

The estimated years of useful life of each group of assets are as follows:

	Years of estimated useful life
Buildings	25-50
Machinery and technical installations	8-16
Other installations, equipment and furniture	10
Other property, plant and equipment	3-5

Investments in concessions are depreciated on a straight-line basis over the term of the concession.

4.3 Impairment of intangible assets and property, plant and equipment

The Company reviews the carrying amount of its intangible assets and property, plant and equipment and compares it with the recoverable amount to determine whether the asset may be impaired.

Recoverable amount is the higher of:

- The fair value:

  The price that would be agreed between two independent parties, less costs to sell and

- Value in use:

  Estimate of the present value of the expected future cash flows.

If the recoverable amount of an asset is below its carrying amount, an impairment loss is recognised.

When an impairment loss subsequently reverses, income is recorded up to the amount of the previously recognised impairment loss.

4.4 Investment properties

"Investment properties" in the accompanying statement of financial position reflects the net values of the land, buildings and other structures held to earn rentals or for capital appreciation. In 2022, a depreciation charge of EUR 14 thousand was recognised (2021: EUR 16 thousand).

Investment properties are measured as explained in Note 4.2 on property, plant and equipment.

4.5 Leases

Leases are classified as finance leases when the conditions of the lease agreement indicate that substantially all the risks and rewards incidental to ownership of the asset are transferred. All other leases are classified as operating leases.

Finance leases

In finance leases in which the Company acts as lessee, the Company presents the cost of the leased assets in the statement of financial position in accordance with the nature of the leased asset, simultaneously recognising a liability for the same amount. This amount is the lower of the fair value of the leased asset or the present value of the minimum lease payments agreed upon, each determined at the inception of the lease, including the purchase option when it is reasonably certain that the option will be exercised. The calculation excludes contingent rents, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charge is allocated over the lease term and recognised in profit or loss for the reporting period in which it is accrued, using the effective interest rate method. Contingent rents are recognised as an expense in the period in which they are incurred.

The assets recognised for these types of transactions are depreciated based on their nature, using similar criteria to those applied to other items of property, plant and equipment.

Operating leases

Operating leases are agreements whereby the lessor conveys to the lessee the right to use an asset for a specified period of time and, therefore, leases for rights of use that do not transfer the risks and rewards incidental to ownership of an asset and are accounted for in accordance with the contractual nature of each transaction.

Expenses from operating leases are taken to the statement of profit or loss for the reporting period in which they are accrued. Any payment made or received in advance on entering into a leasehold is taken to the statement of profit or loss in accordance with the pattern of benefits transferred or received.

4.6 Financial instruments

4.6.1 Financial assets

Classification and measurement

The financial assets held by the Company are classified into the following categories:

a) **Financial assets at fair value through profit or loss**: this category includes financial assets that cannot be classified into any other category. Financial assets held for trading must be included in this category.

   Initial measurement

   These assets are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given. Directly attributable transactions costs are recognised in profit or loss for the reporting period.

   Subsequent measurement

   After initial recognition, these assets are measured at fair value through profit or loss.

b) **Financial assets at amortised cost**: the Company classifies financial assets in this category, even if they are admitted to trading on an exchange, if the following conditions are met:

- the Company holds the financial assets within a business model who objective is to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These contractual cash flows are inherent to a basic lending agreement, but the loan agreed could be interest-free or at a below-market interest rate.

In general, this category includes receivables from trade transactions ("trade receivables") and receivables from non-trade transactions ("other receivables").

Initial measurement

Loans and receivables are recognised initially at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

Nonetheless, trade receivables falling due within one year for which there is no contractual interest rate, and loans to personnel, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is not material.

Subsequent measurement

They are measured at amortised cost. Accrued interest is recognised in profit or loss using the effective interest rate method.

c) **Financial assets at fair value through equity**: financial assets included in this category are assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and are not held for trading or eligible for classification as financial assets at amortised cost.

Initial measurement

Loans and receivables are recognised initially at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

Subsequent measurement

These assets are measured at fair value, without deducting any transaction costs incurred on disposal. Changes in fair value are recognised directly in equity until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously deferred in equity is taken to profit or loss.

d) **Financial assets at cost**: this category includes:

- equity investments in group companies, jointly controlled entities and associates.

- other equity investments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or cannot be estimated reliably.

- profit participating loans with contingent interest payments, either because a fixed interest rate or a floating rate contingent on compliance with a milestone by the borrower (e.g. obtaining profits) is agreed or because it is calculated exclusively by reference to the borrower's financial performance.

- any other financial asset classified initially in the portfolio of financial assets at fair value through profit or loss when it is not possible to obtain a reliable estimate of fair value.

Initial measurement

These assets are initially recognised at cost, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

Subsequent measurement

These assets are subsequently measured at cost less any accumulated impairment.

Derecognition of financial assets

The Company derecognises financial assets when the contractual rights to the cash flows from the financial asset expire or have been transferred, provided that substantially all the risks and rewards of ownership have been transferred, such as in binding agreements for sales of assets, transfers of trade receivables in factoring transactions in which the Company retains no credit or interest rate risk, sales of financial assets with an agreement to repurchase them at fair value and securitisations of financial assets whereby the transferee neither retains any subordinated financing nor extends any type of guarantee or incurs any other type of risk.

The Company does not derecognise financial assets in transfers whereby it retains substantially all the risks and rewards of ownership. These include discounted bills, factoring with recourse, sales of financial assets with an agreement to repurchase them at a fixed price or at the sales price plus interest, and securitisations of financial assets whereby the transferor retains subordinated financing or another type of guarantee that absorbs substantially all expected losses. The Company recognises a financial liability for the amount of the consideration received.

Impairment

Debt instruments at amortised cost or fair value through equity

At least at each reporting date, the Company assess whether there is objective evidence that a financial asset, or group of financial assets with similar risk characteristics assessed on a collective basis, is impaired as a result of one or more events that occurred after initial recognition that result in a reduction or delay in the estimated future cash flows due to debtor insolvency.

Where such evidence exists, the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the future cash flows expected to be generated by the asset discounted at the effective interest rate calculated at initial recognition.

Impairment losses and reversals thereof where the amount of the impairment loss decreases due to an event occurring after recognition are recognised as expenses and income, respectively, in profit or loss. The reversal is limited to the carrying amount of the asset that would have been recognised at the reversal date had no impairment loss been recognised.

For trade and other receivables, the criteria used by the Company to calculate the valuation allowances is to write down balances of a certain age or those affected by circumstances that justify a valuation adjustment such as customer disputes and litigation, even when the Company continues to take measures to recover the amounts in full.

Equity instruments at fair value through equity

With this type of investment, the Company considers the instrument to be impaired after a decline of a year and a half or forty percent of its quoted price with no recovery in value. However, it may be necessary to recognise an impairment loss before this period has elapsed or before the quoted price has dropped by that percentage.

Impairment losses are recognised as an expense in profit or loss.

Where the fair value increases, the impairment recognised in prior periods shall not be reversed with a credit to the statement of profit or loss; rather, the increase in fair value is recognised directly in equity.

Financial assets at cost

In this case, the impairment loss is measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows from the investment, estimated as either those from dividends expected to be received from the investee and the disposal or derecognition of the investment, or from the share in the cash flows expected to be generated by the investee in the ordinary course of business and from disposal or derecognition. When estimating impairment of these types of assets, the investee’s equity is taken into consideration, corrected for any unrealised gains existing at the measurement date, net of the related tax effect, unless better evidence of the recoverable amount of the investment in equity instruments is available.

Impairment, and reversals thereof, are recognised as an expense or as income, respectively, in profit or loss. The loss can only be reversed up to the limit of the carrying amount of the investment that would have been disclosed at the reversal date had the impairment loss not been recognised.

Interest and dividends received from financial assets

Interest and dividends accrued on financial assets after acquisition are recognised in profit or loss. Interest is accounted for using the effective interest rate method, while dividends are recognised when the right to receive payment is established.

4.6.2 Financial liabilities

Classification and measurement

Financial liabilities are classified for measurement purposes as:

a) **Financial liabilities at amortised cost**: the Company classifies all its financial liabilities in this category except those that must be measured at fair value through profit or loss. In general, this category includes payables from trade ("trade payables") and non-trade transactions ("other payables").

   Initial measurement

   These liabilities are recognised initially at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

   Nonetheless, trade payables falling due within one year for which there is no contractual interest rate, and called-up equity holdings expected to be settled in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

   Subsequent measurement

   They are measured at amortised cost. Accrued interest is recognised in profit or loss using the effective interest rate method.

   Nonetheless, payables falling due within one year measured at the nominal amount, in accordance with the preceding section, continue to be measured at that amount.

b) **Financial liabilities at fair value through profit or loss**: the Company includes in this category financial liabilities held for trading and financial liabilities designated irrevocably upon initial recognition as at fair value through profit or loss.

   Initial and subsequent measurement

   These liabilities are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration received. Directly attributable transactions costs are recognised in profit or loss.

   After initial recognition the Company measures the financial liabilities in this category at fair value through profit or loss.

Derecognition of financial liabilities

The Company derecognises a financial liability in any of the following circumstances:

- the obligation is extinguished because the debtor has paid the creditor to discharge the liability (with cash or other goods or services) or the debtor is legally released from any responsibility for the liability.

- the Company repurchases financial liabilities, even if it intends to reissue them in the future.

- there is an exchange between a borrower and a lender of debt instruments with substantially different terms, in which case the new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability, as explained for debt restructuring, is also accounted for as an extinguishment.

Derecognition of a financial liability is accounted for as follows: the difference between the carrying amount of a financial liability (or part of that liability) extinguished and the consideration paid, including attributable transaction costs and any non-cash asset transferred or liability assumed, is recognised in profit or loss for the reporting period in which it arises.

Debt restructuring

On occasion, the Company restructures its debt commitments with its lenders. Debt restructuring can take various forms, including:

- immediate payment of the nominal amount (before maturity) followed by the refinancing of some or all of the nominal amount with a new liability (a “debt exchange”).

- modification of the terms of the debt agreement before maturity (a “debt modification”).

In a debt exchange or a debt modification with the same creditor, the Company analyses whether there has been a substantial change in the terms and conditions of the original liability. If the modification is substantial, the accounting treatment is as follows:

- the carrying amount of the original liability (or the corresponding part of that liability) is derecognised;

- the new financial liability is recognised at its fair value;

- the transaction costs are recognised in profit or loss; and

- the difference between the carrying amount of the original liability (or the part of the liability that has been derecognised) and the fair value of the new liability is recognised in profit or loss.

However, if the analysis indicates that the terms and conditions of the two liabilities are not substantially different (they are, essentially, the same debt), the accounting treatment is as follows:

- the original financial liability is not derecognised (i.e. it remains on the statement of financial position);

- the fees incurred in connection with the restructuring transaction are adjusted against the carrying amount of the liability; and

- a new effective interest rate is calculated for the modified liability as of the restructuring date. The amortised cost of the financial asset is determined by applying the effective interest rate, which is the discount rate that equates the carrying amount of the financial liability at the modification date to the cash flows payable under the new terms.

The terms are substantially different if, for instance, the present value of the cash flows under the new terms, including any fees paid net of any fees received, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability, discounted using the effective interest rate of both.

Certain modifications in determining the cash flows may not pass the 10% test but still give rise to a substantial modification of a financial liability: for example, a change from a fixed to a floating rate of interest on the liability; the redenomination of a liability into a different currency; and conversion of a fixed-rate loan into a profit participating loan, among other cases.

4.6.3 Equity instruments

An equity instrument represents a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments issued by the Company are recognised in equity for the amount of proceeds received, net of issue costs.

Treasury shares acquired by the Company in the year are recognised at the value of the consideration paid and are deducted directly from equity. Any gain or loss on the acquisition, sale, issue or cancellation of own equity instruments is recognised directly in equity and not in profit or loss.

4.7 Inventories

Inventories are measured at the lower of cost, determined as the purchase price or cost of production, and net realisable value.

The Company writes down the cost of inventories when net realisable value is below cost, recognising the expense in profit or loss.

4.8 Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in other currencies are considered to be denominated in foreign currency and are translated at the currency spot rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting dates. Any resulting gains or losses arising are recognised directly in the statement of profit or loss in the year they arise.

4.9 Income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Current tax is the amount of taxes the Company pays as a result of income tax for a period. Deductions and other tax relief applicable to payable taxes, excluding withholdings and payments on account, and the carry forward of tax losses applied in the current reporting period are accounted for as a reduction in current tax.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable, between the carrying amounts of assets and liabilities and their tax bases, as well as the carry forward of unused tax credits and tax losses. These amounts are measured by applying to the relevant temporary difference or tax credit the tax rate at which they are expected to be realised or settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are only recognised to the extent that it is probable that the Company will have future taxable profit available against which they can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

Recognised deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

At 31 December 2022 and 2021, the Company was head of the Obrascón Huarte Lain consolidated tax group.

4.10 Revenue and expenses

The Company's general revenue recognition policy, in line with measurement standard 14 of the General Accounting Plan, contains the following principles:

i) Core principle

The first step for recognising revenue requires identifying the nature of the contract and its performance obligations. The Company generally satisfies its performance obligations in the Construction activities over time, whereby the customer simultaneously receives and consumes the benefits as the service is provided.

The Company has clear criteria for recognising revenue over time that it applies consistently to the Construction activities for similar performance obligations. The Company measures the value of the goods and services for which control is transferred to the customer over time using the input method, or “stage of completion in proportion to contract costs incurred”. In accordance with this method, the Company recognises revenue based on the proportion that costs incurred bear to the estimated total costs. This method requires measuring the proportion that costs incurred as at the measurement date bear to total budgeted costs and, therefore, recognising revenue and margins in proportion to the total expected revenue and margins.

ii) Recognition of revenue from contract modifications, claims and disputes

A contract modification is a change in the scope of the contract, other than a change envisaged in the original contract, that may result in a change in the revenue associated with that contract. In most cases, modifications to the original contract require the customer to give technical and financial approval to enable the Company to bill and collect the amounts relating to that additional work. The Company does not recognise revenue relating to contract modifications until the customer approves these modifications; however, in cases where the additional work has been approved but the corresponding change in price has not yet been determined, it only recognises an amount to the extent that it is highly probable that a significant reversal in the amount of revenue will not occur. The costs of producing these units are recognised as incurred, irrespective of whether or not the modification has been approved.

A claim is a request for indemnity to a customer. The Company applies the method used for contract modifications to claims.

A dispute is the result of a discrepancy resulting from a claim made to the customer under the framework of a contract, the resolution of which is dependent on the mechanism established in the contract for the resolution of the dispute (whether conducted directly with the customer or through a court or arbitration proceeding). Revenue relating to disputes is not recognised, since the dispute demonstrates the absence of the customer's approval of the work completed.

iii) Statement of financial position balances related to revenue recognition

Amounts to be billed for work performed/amounts billed in advance for construction work

Unlike the method used to recognise contract revenue, the amounts billed to the customer are based on achievement of the various milestones established in the contract and on acknowledgement thereof by the customer through the certificate of completion. Accordingly, the amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to, or certified by, the customer. For contracts in which the transfer of goods or services to the customer is more than the amount certified, the difference is recognised in assets under "Amounts to be billed for work performed" under "Trade receivables", whereas in contracts in which the transfer of goods or services is less than the amount certified by the customer, the difference is recognised in liabilities under "Trade and other payables" in the statement of financial position.

Costs to obtain and fulfil contracts

The Company recognises as assets the costs of obtaining a contract (bid costs) and the costs incurred in fulfilling a contract or setup costs (mobilisation costs) that are directly related to the principal contract, provided they will be recovered through performance of the contract.

Bidding costs are only capitalised when they relate directly to a contract, it is probable that the costs will be recovered and the contract has been awarded or the Company has been selected as preferred bidder. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained are recognised as an expense unless those costs are explicitly chargeable to the customer (regardless of whether the contract is obtained). The asset is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Costs to fulfil a contract (setup or mobilisation costs) are capitalised if they are expected to be recovered and do not include costs that would normally be incurred by the Company had the contract not been obtained. They are recognised in profit or loss on the basis of the proportion of actual output to estimated output under each contract. Otherwise, these costs are recognised directly in profit or loss.

iv) Financing component

For performance obligations for which the period between when the entity transfers a promised good or service to the customer and when the customer pays for that good or service is less than one year, the Company applies the practical expedient permitted by the standard and does not adjust the promised amount of consideration for the effects of a significant financing component.

In cases where there is a contractual or legal right to charge late-payment interest owing to a delay in collection with respect to the contractually established periods, such interest is recognised only when it is highly probable that it will actually be received.

4.11 Provisions

The Company's financial statements include all the material provisions with respect to which it is considered that it is probable that the obligation will have to be settled (see Note 13.1). Contingent liabilities are not recognised in the financial statements, but are disclosed (see Note 13.3).

Provisions are classified under current or non-current liabilities based on the estimated period of time over which the related obligations will have to be settled.

The most significant provisions are:

Provision for taxes

These provisions reflect the estimated tax liability of uncertain amount or timing, since payment depends on whether or not certain conditions are met.

Provisions for litigation and third-party liability

These provisions are recognised to cover potential adverse economic outcomes from legal proceedings and claims against the Company arising in the ordinary course of business.

Provision for investees

The provision is recognised to cover losses that the Company would have to bear in the event of the disposal or dissolution of Group companies or associates with an equity shortfall and no unrealised gains.

Provisions for the completion of construction projects

These provisions are intended to cover expenses arising from the completion of a project until final settlement. The estimated costs in this connection accrue over the construction period based of production volumes.

Provisions for management and other fees

These provisions relate to the amount accrued in connection with project management and inspection fees, laboratory, layout and other fees payable at the reporting date. The amounts of these fees are established in the related project specifications and in current legislation. The estimated costs in this connection accrue over the construction period based of production volumes.

Provisions for future losses

These provisions are recognised immediately when it is evident that total contract costs will exceed total contract revenues and they are included in the estimate of the total budget for the contract.

Other provisions

These provisions relate to prepayments of expenses, such as guarantees and insurance, and provisions for third-party liability and other construction costs.

4.12 Termination benefits

In accordance with the various collective bargaining agreements in force, the Company is required to pay termination benefits to employees terminated under certain conditions.

"Provisions" in current liabilities in the statement of financial position include a provision for the liability incurred in this connection for temporary site employees, based on the average remuneration rate and the average length of service (see Note 13.1).

Termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision is taken.

4.13 Liabilities arising from long-term employee benefits

The Company classifies its long-term employee benefit obligations depending on their nature as defined contribution plans and defined benefit plans. Defined benefit plans are those in which the Company has an obligation to make predetermined contributions to a separate entity (for instance, an insurance company or a pension plan), provided that there is no legal, contractual or implicit obligation to make additional contributions if the separate entity cannot comply with the obligations assumed. Plans that do not entail a defined contribution are considered defined benefit plans.

4.14 Environmental assets, liabilities and activities

An environmental activity is any operation whose main purpose is to prevent, reduce or repair damage to the environment.

The Company's core business is construction. Most construction contracts include an environmental impact assessment and the performance of work to preserve, maintain and restore the environment.

The Company does not consider the assets and expenses related to the provision of these services as environmental assets and expenses since they are performed for third parties. However, environmental claims and obligations are included, regardless of whether or not they arise from the Company's own operations or operations performed for third parties.

Investments relating to environmental activities are measured at cost and capitalised as an increase in the cost of the related non-current assets in the year in which they are made.

Expense to protect and improve the environment are recognised in the statement of profit or loss in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

Provisions for probable or certain third-party liability, ongoing litigation and outstanding environmental indemnity payments or obligations of undetermined amount not covered by insurance policies taken out are recognised when the liability or obligation giving rise to the indemnity or payment arises.

4.15 Grants, donations and bequests

The Company accounts for grants, donations and bequests received as follows:

a) Non-refundable grants, donations and legacies related to assets: these are measured at the fair value of the amount or the asset received, based on whether or not they are monetary grants, and they are taken to income in proportion to the period depreciation charges for the assets for which the grants were received or, where appropriate, on disposal of the asset or on the recognition of an impairment loss. Until they are recognised in profit or loss, they are presented in equity, net of the related tax effect.

b) Refundable grants: refundable grants are recognised as liabilities as long as they remain refundable.

c) Grants related to income: these are recognised with a credit to income when they are awarded, except those earmarked to finance operating losses for future periods, in which case they are recognised as income in those periods. Those awarded to finance specific expenses are recognised as income as the finance expenses are accrued.

4.16 Joint operations

A joint venture is an economic activity controlled by two or more natural or legal persons (venturers), which occurs when there is a bylaw or contractual arrangement whereby the venturers agree to share the power to govern the financial and operating policies in such a way that the strategic decisions require the unanimous consent of all of the venturers.

Joint ventures may arise through the incorporation of a company, i.e. an actual joint venture, or through the incorporation of co-ownerships or temporary business associations (UTEs), i.e. joint operations.

Standard practice in the construction industry is for certain construction projects to be performed through the grouping of several companies as a UTE.

The main UTEs in which the Company had interests at 31 December 2022 are detailed in Appendix I to these notes to the financial statements.

The Company recognises the outcome of construction work performed at UTEs using the same method as for its own construction projects, as explained in Note 4.10.

The expenses incurred on behalf of, and other services provided to, UTEs are recognised when the expense is incurred or the service provided. These amounts are recognised under "Non-trading and other operating income" in the statement of profit or loss.

Under recognition and measurement standard 20 of the General Accounting Plan, the venturer's annual financial statements include its share of the UTEs in which it has an interest at the end of the reporting period, integrating the various items of the statement of profit or loss and the statement of financial position of the UTEs using proportionate consolidation. These balances are disclosed in the following Notes, where material. The venturer's statement of changes in equity and statement of cash flows also reflect its proportional share of the items of the UTEs.

4.17 Current versus non-current classification

Current assets comprise assets associated with the normal operating cycle, which generally is considered to be one year, as well as those expected to mature, or to be sold or realised in the short term, financial assets held for trading, except financial derivatives that will be settled in more than one year, and cash and cash equivalents. All other assets are classified as non-current.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities classified as held for trading, except financial derivatives that will be settled in more than one year, and, in general, all liabilities expected to fall due or to be extinguished in the short term. All other liabilities are classified as non-current.

4.18 Statement of cash flows

Cash flows are inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value. The statement of cash flows is prepared using the indirect method, with the changes in cash flows during the year classified into:

- Operating activities: the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Company that are not operating activities.

4.19 Related party transactions

The Company carries out all transactions with related parties at arm's length. In addition, transfer prices are adequately supported, so the Company's directors consider that there are no material risks in this connection that could lead to significant liabilities in the future.

5. INTANGIBLE ASSETS

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2022 and 2021:

2022	EUR thousand					
	Opening balance	Additions or charges	Disposals or derecognitions	Exchange differences	Transfers	Closing balance
Development expenditure:						
Cost	18,457	-	-	-	-	18,457
Accumulated amortisation	(17,571)	(886)	-	-	-	(18,457)
	886	**(886)**	**-**	**-**	**-**	**-**
Computer software:						
Cost	34,179	330	(176)	37	243	34,613
Accumulated amortisation	(22,572)	(1,032)	176	(36)	-	(23,464)
Impairment losses	(8,727)	-	-	-	-	(8,727)
	2,880	**(702)**	**-**	**1**	**243**	**2,422**
Patents, licenses and trademarks						
Cost	170	-	-	-	-	170
Accumulated amortisation	(158)	(1)	-	-	-	(159)
	12	**(1)**	**-**	**-**	**-**	**11**
Other intangible assets in progress						
Cost	222	636	-	-	(243)	615
	222	**636**	**-**	**-**	**(243)**	**615**
Total:						
Cost	**53,028**	**966**	**(176)**	**37**	**-**	**53,855**
Accumulated amortisation	**(40,301)**	**(1,919)**	**176**	**(36)**	**-**	**(42,080)**
Impairment losses	**(8,727)**	**-**	**-**	**-**	**-**	**(8,727)**
Total intangible assets	**4,000**	**(953)**	**-**	**1**	**-**	**3,048**

2021	EUR thousand					
	Opening balance	Additions or charges	Disposals or derecognitions	Exchange differences	Transfers	Closing balance
Development expenditure:						
Cost	18,457	-	-	-	-	18,457
Accumulated amortisation	(16,621)	(950)	-	-	-	(17,571)
	1,836	**(950)**	**-**	**-**	**-**	**886**
Computer software:						
Cost	33,212	501	(142)	16	592	34,179
Accumulated amortisation	(21,474)	(1,221)	142	(19)	-	(22,572)
Impairment losses	(8,727)	-	-	-	-	(8,727)
	3,011	**(720)**	**-**	**(3)**	**592**	**2,880**
Patents, licenses and trademarks						
Cost	170	-	-	-	-	170
Accumulated amortisation	(157)	(1)	-	-	-	(158)
	13	**(1)**	**-**	**-**	**-**	**12**
Other intangible assets in progress						
Cost	264	550	-	-	(592)	222
	264	**550**	**-**	**-**	**(592)**	**222**
Total:						
Cost	**52,103**	**1,051**	**(142)**	**16**	**-**	**53,028**
Accumulated amortisation	**(38,252)**	**(2,172)**	**142**	**(19)**	**-**	**(40,301)**
Impairment losses	**(8,727)**	**-**	**-**	**-**	**-**	**(8,727)**
Total intangible assets	**5,124**	**(1,121)**	**-**	**(3)**	**-**	**4,000**

"Development expenditure" relates to various R&D projects.

Net proceeds from the disposal of intangible assets in 2022 amounted to EUR 1 thousand (2021: EUR 0).

At 31 December 2022, the cost and accumulated amortisation included EUR 556 thousand and EUR 468 thousand, respectively, related to UTEs (2021: EUR 655 thousand and EUR 617 thousand, respectively).

The cost and accumulated amortisation of intangible assets located abroad at 31 December 2022 amounted to EUR 828 thousand and EUR 642 thousand, respectively (2021: EUR 882 thousand and EUR 748 thousand, respectively).

At 31 December 2022, fully amortised intangible assets still in use amounted to EUR 39,359 thousand (2021: EUR 33,517 thousand).

In 2022, the Company did not receive any government grants earmarked for R&D projects (2021: EUR 15 thousand) (see Note 12.7).

6. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2022 and 2021:

2022	EUR thousand					
	Opening balance	Additions or charges	Disposals or derecog	Exchange differences	Transfers	Closing balance
Land and buildings:						
Cost	851	-	-	-	-	851
Accumulated depreciation	(125)	(4)	-	-	-	(129)
	726	**(4)**	**-**	**-**	**-**	**722**
Machinery and technical installations:						
Cost	51,730	18,600	(8,379)	2,355	-	64,306
Accumulated depreciation	(43,390)	(3,649)	8,245	(1,947)	-	(40,741)
	8,340	**14,951**	**(134)**	**408**	**-**	**23,565**
Other installations, equipment and						
Cost	55,440	1,042	(9,917)	2,522	36	49,123
Accumulated depreciation	(48,468)	(800)	9,903	(2,079)	-	(41,444)
Impairment losses	(3,125)	-	-	(197)	-	(3,322)
	3,847	**242**	**(14)**	**246**	**36**	**4,357**
Investments in concessions:						
Cost	119	-	-	-	-	119
Accumulated depreciation	(16)	(1)	-	-	-	(17)
Impairment losses	(68)	-	-	-	-	(68)
	35	**(1)**	**-**	**-**	**-**	**34**
Other property, plant and equipment:						
Cost	24,424	10,221	(1,788)	1,598	(36)	34,419
Accumulated depreciation	(17,912)	(3,454)	1,770	(1,053)	-	(20,649)
Impairment losses	(478)	-	-	(9)	-	(487)
	6,034	**6,767**	**(18)**	**536**	**(36)**	**13,283**
Total:						
Cost	**132,564**	**29,863**	**(20,084)**	**6,475**	**-**	**148,818**
Accumulated depreciation	**(109,911)**	**(7,908)**	**19,918**	**(5,079)**	**-**	**(102,980)**
Impairment	**(3,671)**	**-**	**-**	**(206)**	**-**	**(3,877)**
Total property, plant and equipment	**18,982**	**21,955**	**(166)**	**1,190**	**-**	**41,961**

2021	EUR thousand					
	Opening balance	Additions or charges	Disposals or derecog	Exchange differences	Transfers	Closing balance
Land and buildings:						
Cost	851	-	-	-	-	851
Accumulated depreciation	(121)	(4)	-	-	-	(125)
	730	**(4)**	**-**	**-**	**-**	**726**
Machinery and technical installations:						
Cost	48,769	3,619	(1,945)	(527)	1,814	51,730
Accumulated depreciation	(45,392)	(1,408)	1,935	433	1,042	(43,390)
	3,377	**2,211**	**(10)**	**(94)**	**2,856**	**8,340**
Other installations, equipment and						
Cost	51,970	480	(306)	1,955	1,341	55,440
Accumulated depreciation	(45,267)	(769)	284	(1,674)	(1,042)	(48,468)
Impairment losses	(2,889)	-	-	(236)	-	(3,125)
	3,814	**(289)**	**(22)**	**45**	**299**	**3,847**
Investments in concessions:						
Cost	119	-	-	-	-	119
Accumulated depreciation	(15)	(1)	-	-	-	(16)
Impairment losses	(68)	-	-	-	-	(68)
	36	**(1)**	**-**	**-**	**-**	**35**
Other property, plant and equipment:						
Cost	22,281	5,570	(2,845)	(582)	-	24,424
Accumulated depreciation	(20,071)	(1,267)	2,798	628	-	(17,912)
Impairment losses	(468)	-	-	(10)	-	(478)
	1,742	**4,303**	**(47)**	**36**	**-**	**6,034**
Property, plant and equipment under						
Cost	168	2,987	-	-	(3,155)	-
	168	**2,987**	**-**	**-**	**(3,155)**	**-**
Total:						
Cost	**124,158**	**12,656**	**(5,096)**	**846**	**-**	**132,564**
Accumulated depreciation	**(110,866)**	**(3,449)**	**5,017**	**(613)**	**-**	**(109,911)**
Impairment	**(3,425)**	**-**	**-**	**(246)**	**-**	**(3,671)**
Total property, plant and equipment	**9,867**	**9,207**	**(79)**	**(13)**	**-**	**18,982**

The net gain on disposal of property, plant and equipment in 2021 amounted to EUR 1,723 thousand (2021: EUR 1,585 thousand).

At 31 December 2022, cost, accumulated depreciation and impairment included EUR 15,526 thousand, EUR 9,483 thousand and EUR 3,466 thousand, respectively, related to UTEs (2021: EUR 28,335 thousand, EUR 22,664 thousand and EUR 3,260 thousand, respectively).

At 31 December 2022, cost, accumulated depreciation and impairment of property, plant and equipment located abroad amounted to EUR 113,114 thousand, EUR 70,814 thousand and EUR 3,465 thousand, respectively (2021: EUR 95,785 thousand, EUR 76,442 thousand and EUR 3,260 thousand, respectively).

Fully depreciated property, plant and equipment still in use at 31 December 2022 amounted to EUR 85,545 thousand (2021: EUR 82,602 thousand).

As explained in Note 7.1, the Company held property, plant and equipment under finance leases at the end of 2022.

The Company takes out all the insurance policies it considers necessary to cover the potential risks that could affect its property, plant and equipment.

7. Leases

7.1 Finance leases

At year-end 2022, the Company recognised assets leased out under a finance lease for EUR 448 thousand related to machinery (2021: EUR 0).

Set out below are total figures for finance lease transactions in which the Company acts as lessee, all measured at the present value of the minimum payments. The average duration of leases in force in 2022 was 36 months.

	EUR thousand
	2022
Amount recognised in assets:	
Original cost, excluding the purchase option	433
Value of purchase option	15
Total value of assets acquired under finance lease	**448**
Payments:	
Made in the year	108
Outstanding:	
Within one year	**145**
Between 1 and 5 years	**195**
Total payments	**448**

Interest recognised under expenses in 2022 amounted to EUR 42 thousand.

7.2 Operating leases

Operating leases are leases in which substantially all the risks and rewards incidental to ownership are not transferred.

The main operating leases relate to the Company's head office and other operating centres.

Future minimum payments under non-cancellable leases at 31 December 2022 and 2021:

	EUR thousand	
	2022	2021
Within one year	8,693	6,707
After one year but not more than five years	25,495	5,643
More than five years	1,240	463
Total	**35,428**	**12,813**

There are no significant leases in which the Company acts as the lessor.

8. EQUITY INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

Changes in 2022 and 2021 in "Equity investments in group companies and associates" are as follows:

2022	EUR thousand			
	Opening balance	Additions or charges	Disposals or derecognitions	Closing balance
Equity instruments in group companies:				
Cost	2,343,736	171,192	(125,358)	2,389,570
Impairment losses	(949,346)	(116,615)	14,630	(1,051,331)
Uncalled capital	(118)	(12,370)	-	(12,488)
	1,394,272	**42,207**	**(110,728)**	**1,325,751**
Equity instruments in associates				
Cost	12,008	1,097	-	13,105
Impairment	(9,021)	-	-	(9,021)
Uncalled capital	(11)	-	-	(11)
	2,976	**1,097**	**-**	**4,073**
Total:				
Cost	**2,355,744**	**172,289**	**(125,358)**	**2,402,675**
Impairment	**(958,367)**	**(116,615)**	**14,630**	**(1,060,352)**
Uncalled capital	**(129)**	**(12,370)**	**-**	**(12,499)**
Non-current investments in group companies and associates	**1,397,248**	**43,304**	**(110,728)**	**1,329,824**

2021	EUR thousand			
	Opening balance	Additions or charges	Disposals or derecognitions	Closing balance
Equity instruments in group companies:				
Cost	2,316,784	1,314,150	(1,287,198)	2,343,736
Impairment losses	(1,445,982)	-	496,636	(949,346)
Uncalled capital	(129)	(45)	56	(118)
	870,673	**1,314,105**	**(790,506)**	**1,394,272**
Equity instruments in associates				
Cost	21,722	-	(9,714)	12,008
Impairment	(9,021)	-	-	(9,021)
Uncalled capital	(11)	-	-	(11)
	12,690	**-**	**(9,714)**	**2,976**
Total:				
Cost	**2,338,506**	**1,314,150**	**(1,296,912)**	**2,355,744**
Impairment	**(1,455,003)**	**-**	**496,636**	**(958,367)**
Uncalled capital	**(140)**	**(45)**	**56**	**(129)**
Non-current investments in group companies and associates	**883,363**	**1,314,105**	**(800,220)**	**1,397,248**

The main changes in 2022 in equity instruments in group companies and associates were the result of the following transactions:

- Contribution by the Company as sole shareholder to the equity of OHL Industrial, S.L.U. for EUR 122,000 thousand, entailing the non-monetary contribution of part of the participating loan granted in previous periods.
- Reduction of the shareholding in OHL Holding, S.à.r.l. due to the partial reimbursement of non-monetary contributions made by the Company in July 2021 as sole shareholder to equity, for EUR 119,376 thousand, through the set-off of the receivable held by OHL Holding, S.à.r.l against the Company.
- Incorporation, on 22 January 2022, of Sociedad Concesionaria Hospitales Red Biobio, S.A. in Chile, in which Obrascón Huarte Lain, S.A. holds a 51% ownership interest, for EUR 19,671 thousand, having paid EUR 7,307 thousand.
- Contributions by the Company as sole shareholder to the equity of OHL Holding, S.á.r.l for EUR 17,472 thousand and EUR 6,924 thousand, entailing non-monetary contributions of a 100% stake in OHL Servicios-Ingesan, S.A.U. and receivables from OHLA Concesiones, S.L.U., respectively.
- Incorporation, on 3 June 2022, of Parking Niño Jesús-Retiro, S.A., in which Obrascón Huarte Lain, S.A. holds a 30% ownership interest, for EUR 1,095 thousand, which was paid in full.
- Sale of a 100% stake in OHL Infrastructure, Inc. to OHLA Concesiones S.L.U. (see Notes 13.1 and 17.6).

At year-end 2022, the Company estimated, through an impairment test, the potential existence of decreases in value that reduced the recoverable amount of its equity investments in group companies and associates to below their carrying amount in accordance with the policy described in Note 4.6.1. Based on the results of the test, the Company recognised a reversal of impairment of EUR 14,400 thousand on the shareholding in Obrascón Huarte Lain, Construcción Internacional, S.L.U.

In addition, as a result of the non-monetary contribution to equity of OHL Industrial, S.L.U., in 2022, impairment of EUR 116,615 thousand was recognised on this equity investment. This amount is the impairment recognised on the participating loan in previous periods, which was reversed in 2022 as a result of this transaction (see Note 17.6).

Based on this assessment, the Company's directors estimate that recoverable amount of these equity investments approximates carrying amount.

The equity of the Group companies shown in Appendix II, which forms an integral part of this note, was obtained from the companies' separate financial statements at 31 December 2022.

The changes in investments in Group companies and associates are detailed in Appendices III and IV.

The business activities and registered offices of the Group companies are listed in Appendix V.

9. Financial assets

The breakdown of financial assets at 31 December, excluding equity investments in group companies and associates (see Note 8), is as follows:

Classification	EUR thousand							
	Equity instruments		Debt securities		Loans, derivatives and other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Non-current financial assets								
Financial assets at fair value through profit or loss	-	-	2,061	865	-	-	2,061	865
Financial assets at amortised cost	-	-	-	-	10,052	7,370	10,052	7,370
Financial assets at cost	13	13	30	303	85,215	86,633	85,258	86,949
Total non-current financial assets	**13**	**13**	**2,091**	**1,168**	**95,267**	**94,003**	**97,371**	**95,184**
Current financial assets								
Financial assets at amortised cost	-	-	-	-	708,997	694,427	708,997	694,427
Financial assets at cost	3	3	-	-	-	-	3	3
Total current financial assets	**3**	**3**	**-**	**-**	**708,997**	**694,427**	**709,000**	**694,430**

These amounts are included in the following statement of financial position line items:

Item	EUR thousand							
	Equity instruments		Debt securities		Loans, derivatives and other		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Non-current financial assets								
Investments in group companies and associates	-	-	-	-	84,902	86,234	84,902	86,234
Non-current financial assets	13	13	2,091	1,168	10,365	7,769	12,469	8,950
Total non-current financial assets	**13**	**13**	**2,091**	**1,168**	**95,267**	**94,003**	**97,371**	**95,184**
Current financial assets								
Trade receivables	-	-	-	-	314,451	226,872	314,451	226,872
Trade receivables from group companies	-	-	-	-	17,504	20,978	17,504	20,978
Trade receivables from associates	-	-	-	-	6,247	4,841	6,247	4,841
Other receivables	-	-	-	-	21,917	21,949	21,917	21,949
Employee receivables	-	-	-	-	876	573	876	573
Current investments in group companies and associates	-	-	-	-	167,356	258,145	167,356	258,145
Current financial assets	3	3	-	-	180,646	161,069	180,649	161,072
Total current financial assets	**3**	**3**	**-**	**-**	**708,997**	**694,427**	**709,000**	**694,430**

9.1 Investments in group companies and associates: non-current loans

The detail of "Non-current loans to group companies and associates", net of allowances, at 31 December 2022 and 2021 is as follows:

Company	EUR thousand 2022	EUR thousand 2021
Loans to group companies:		
OHL Industrial, S.L.U.	41,000	46,385
Pacadar, S.A.U.	39,849	39,849
Loans to associates:		
Concesionaria Ruta Bogotá Norte, S.A.S.	4,053	-
Total loans to group companies and associates	**84,902**	**86,234**

The average interest rate on loans to group companies and associates in 2022 was 15.12%, while financial income from loans in the year totalled EUR 226 thousand.

9.2 Non-current financial assets

The detail of "Non-current financial assets" at 31 December 2022 and 2021 is as follows:

2022	EUR thousand				
	Non-current financial assets				
Item / Classification	Equity instruments	Loans to third parties	Debt securities	Other financial assets and derivatives	Total
Financial assets at fair value through profit or loss	-	-	2,061	-	2,061
Financial assets at amortised cost	-	-	-	10,052	10,052
Financial assets at cost	13	-	30	313	356
Total non-current financial assets	**13**	**-**	**2,091**	**10,365**	**12,469**

2021	EUR thousand				
	Non-current financial assets				
Item / Classification	Equity instruments	Loans to third parties	Debt securities	Other financial assets and derivatives	Total
Financial assets at fair value through profit or loss	-	-	865	-	865
Financial assets at amortised cost	-	2,068	-	5,302	7,370
Financial assets at cost	13	-	303	399	715
Total non-current financial assets	**13**	**2,068**	**1,168**	**5,701**	**8,950**

"Loans to third parties" includes a loan granted to Grupo Villar Mir ("GVM"), which was written off in full.

The terms of the dation in payment and debt recognition agreement entered into between the Parent, GVM and Inmobiliaria Espacio, S.A. (IESA), which concluded on 24 February 2021, along with compliance with the conditions precedent to which it was subject, included the recognition by GVM of a debt with OHL of EUR 45,850 thousand divided into different tranches and subject to collateral. Based on this agreement, the Company estimated the recoverable amount of the debt recognised taking into account the fair value of the collateral. As a result, it recognised an impairment loss in 2020.

In 2022, an amount of EUR 16,049 thousand of the total debt was collected, resulting in a reversal of impairment of EUR 13,981 thousand (see Note 17.6).

The estimated detail by maturity of items included under "Non-current financial assets" is as follows:

	EUR thousand					
Classification	2024	2025	2026	2027	Other	Total
Financial assets at fair value through profit or loss	-	-	-	-	2,061	2,061
Financial assets at amortised cost	8,738	99	5	-	1,210	10,052
Financial assets at cost	-	313	-	-	43	356
Total non-current financial assets	**8,738**	**412**	**5**	**-**	**3,314**	**12,469**

Impairment losses:

The changes arising from the impairment losses/reversals recognised in 2022 and 2021 were as follows:

2022

	EUR thousand		
Classification	Accumulated impairment losses at the beginning of the year	Impairment losses / (reversals) recognised in the year	Accumulated impairment losses at the end of the year
Financial assets at fair value	-	100	100
Financial assets at amortised cost	33,263	(14,957)	18,306
Financial assets at cost	-	151	151

2021

	EUR thousand			
Classification	Accumulated impairment losses at the beginning of the year	Impairment losses / (reversals) recognised in the year	Transfers of current assets	Accumulated impairment losses at the end of the year
Financial assets at amortised cost	5,109	(4,609)	32,763	33,263

9.3 Trade receivables and advances from customers

The breakdown these items at 31 December 2022 and 2021 is as follows:

	EUR thousand	
	2022	**2021**
Trade receivables:		
Amounts to be billed for work or services performed	162,321	109,737
Progress billings receivable	181,415	141,664
Trade notes receivable	685	1,155
Retentions	30,870	36,874
Subtotal trade receivables	**375,291**	**289,430**
Provisions	(60,840)	(62,558)
Total trade receivables, net of allowances	**314,451**	**226,872**
Advances from customers	(251,165)	(232,943)
Total trade receivables net of allowances and advances	**63,286**	**(6,071)**

In 2022, EUR 23,986 thousand of progress billings related to this statement of financial position item were negotiated with banks (2021: no certifications or trade notes in connection with this item of the statement of financial position were negotiated in 2021 with banks).

At 31 December 2022, the balance of trade receivables was reduced by EUR 28,152 thousand (2021: EUR 19,897 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.

Of the total net balance at 31 December 2022 of trade receivables and advances from customers, EUR 42,850 thousand related to UTEs (2021: EUR 18,181 thousand).

The bulk of the balances of retentions from customers is recovered on completion and delivery of works/projects, in line with standard industry practice.

The breakdown of trade receivables by customer type at 31 December 2022 and 2021 is as follows:

	EUR thousand	
Type of customer	2022	2021
Spain:	**182,244**	**147,778**
Public sector:	**70,258**	**49,168**
Central government	8,400	7,707
Regional government	26,890	25,059
Local government	4,988	2,794
Other agencies	29,980	13,608
Private sector	**111,986**	**98,610**
Abroad:	**193,047**	**141,652**
Public sector	**141,842**	**86,781**
Private sector	**51,205**	**54,871**
Total	**375,291**	**289,430**

Of the balance of "Trade receivables" at 31 December 2022, 57% or EUR 212,100 thousand related to the public sector and 43% or EUR 163,191 thousand to the private sector (2021: 47% or EUR 135,949 thousand and 53% of EUR 153,481 thousand, respectively).

Trade receivables includes as amounts for projects or services to be billed both balances relating to delays in billing of work performed and balances related to work performed the billing to the customer of which the Company considers to be highly probable. Accordingly, the Company does not recognise any amounts subject to a dispute or claim against a customer. However, the Company continues to take the actions that it deems necessary to claim the amounts to which it considers that it is entitled.

The Company does not recognise as revenue under any circumstances claims made against customers until they are approved.

Of the balances of "Progress billings receivable" and "Trade notes receivable", which at 31 December 2022 totalled EUR 182,100 thousand (2021: EUR 142,819 thousand), 45% or EUR 82,372 thousand related to the public sector and 55% or EUR 99,728 thousand to the private sector (2021: 40% of EUR 57,105 thousand and 60% of EUR 85,714 thousand, respectively).

The balance of “Trade receivables” is presented net of valuation allowances for impairment. Movements in doubtful debts allowances on receivables in 2022 and 2021 were as follows:

	EUR thousand	
	2022	2021
Opening balance	(62,558)	(58,223)
Arising in the year	(53)	(4,341)
Amounts utilised	1,771	6
Closing balance	**(60,840)**	**(62,558)**

Total allowances at 31 December 2022 and 2021 related to uncollectible receivables on unpaid progress billings.

In determining the amount of the allowances for uncollectible receivables, estimates are made that take into account breaches of contractual payment obligations and probability of default, which are assessed individually for each contract and customer.

Other supplementary information on construction contracts and other contract revenue and costs by reference to the stage of completion.

Revenue from construction contracts and certain services contracts is recognised by reference to the stage of completion in accordance with the policies described in Note 4.10.

As explained in that Note, the difference between revenue recognised and amounts actually billed to the customer is analysed systematically on a contract-by-contract basis. Where the amount billed is lower than the revenue recognised, the difference is recognised as an asset under “Trade and other receivables - Trade receivables - Amounts to be billed for work performed”. Where the amount of revenue recognised is lower than the amount billed, a liability is recognised under “Trade and other payables - Advances from customers - Amounts billed in advance for construction work”.

Meanwhile, in certain construction contracts, advances are agreed upon that are paid by the customer when work commences on the contract. The balance offset against the various progress billings as the contract work is performed. This balance is recognised under “Trade and other payables” in liabilities in the statement of financial position.

Moreover, in certain contracts the customer retains a portion of the price to be paid in each progress billing to guarantee fulfilment of certain obligations under the contract. These retentions are not reimbursed until the contract is definitively settled. The balances are recognised under “Trade and other receivables” in assets in the statement of financial position.

The following table sets out the amounts recognised in this connection at 31 December 2022 and 2021:

	EUR thousand			
	2022	2021	Difference	% change
Amounts to be billed for work performed, net	162,321	109,737	52,584	47.92 %
Advances from customers	(251,165)	(232,943)	(18,222)	7.82 %
Construction contracts, net	**(88,844)**	**(123,206)**	**34,362**	**(27.89%)**
Retentions	30,870	36,874	(6,004)	(16.28%)
Net advances and retentions	**(57,974)**	**(86,332)**	**28,358**	**(32.85%)**

9.4 Trade receivables from group companies

The detail of "Trade receivables from group companies" as at 31 December 2022 and 2021, by company, is as follows:

Company	EUR thousand	
	2022	2021
Sociedad Concesionaria Hospitales Red Biobio, S.A.	4,880	-
EYM Instalaciones, S.A.U.	2,955	3,066
Construcciones Colombianas OHL, S.A.S.	2,728	1,781
OHL Colombia, S.A.S.	1,117	986
OHL Arabia, LLC	764	153
OHL Ireland Construction and Engineering Limited	79	1,988
OHL Construction Canadá, Inc.	58	2,789
OHL USA, Inc.	4	1,514
OHL Sverige, A.B.	-	1,437
Less than EUR 500 thousand in both years	4,919	7,264
Total trade receivables from group companies	**17,504**	**20,978**

The balances in the preceding table do not earn interest and relate to balances arising in the ordinary course of the Company's business.

9.5 Trade receivables from associates

"Trade receivables from associates" includes trade receivables from associates and trade receivables at 31 December 2022 and 2021 from UTEs, after the proportionate consolidation of their statements of financial position and the related eliminations.

The detail of the balance is as follows:

Company	EUR thousand	
	2022	2021
Concesionaria Ruta Bogotá Norte, S.A.S. Colombia	4,384	-
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	856	815
Centro Canalejas Madrid, S.L. Spain	603	2,828
Less than EUR 500 thousand in both years	404	1,198
Total trade receivables from associates	**6,247**	**4,841**

The balances in the preceding table do not earn interest and relate to balances arising in the ordinary course of the Company's business.

9.6 Current investments in group companies and associates

9.6.1 Current investments in group companies

The detail of "Current investments in group companies" at 31 December 2022 and 2021 is as follows:

2022	EUR thousand		
Company	Loans	Other financial assets	Total
OHL Servicios - Ingesán, S.A.U.	44,347	1	44,348
Pacadar, S.A.U.	17,606	17	17,623
OHL Colombia, S.A.S.	15,087	135	15,222
Tenedora de Participaciones Tecnológicas, S.A.U.	7,433	35	7,468
Obrascón Huarte Lain, Desarrollos, S.A.U.	7,457	-	7,457
OHL Andina, S.A.	6,791	-	6,791
OHL Construction Pacific PTY, Ltda.	-	5,304	5,304
Constructora e Inmobiliaria Huarte, Ltda.	5,042	-	5,042
OHL Operaciones, S.A.U.	-	3,727	3,727
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	3,372	-	3,372
OHL Industrial, S.L.U.	2,758	2	2,760
Construcciones Colombianas OHL, S.A.S.	656	1,984	2,640
Agrupación Guinovart Obras y Servicios Hispania, S.A.U.	1,895	-	1,895
Asfaltos y Construcciones Elsan, S.A.U.	1,285	1	1,286
OHL Uruguay, S.A.	75	966	1,041
OHLA Concesiones, S.L.U.	1,014	-	1,014
Vacua, S.A.	-	968	968
Sociedad Concesionaria Centro Justicia de Santiago, S.A.	-	857	857
Ecolaire España, S.A.U.	855	-	855
OHL Industrial Chile, S.A.	514	-	514
Less than EUR 300 thousand	307	449	756
TOTAL	**116,494**	**14,446**	**130,940**

2021

Company	Loans	Other financial assets	Total
	EUR thousand		
OHL Operaciones, S.A.U.	-	61,918	61,918
OHL Servicios - Ingesán, S.A.U.	49,263	14	49,277
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	1,120	36,479	37,599
OHL Colombia, S.A.S.	14,277	-	14,277
Pacadar, S.A.U.	10,894	1	10,895
OHL Industrial, S.L.U.	8,959	215	9,174
Tenedora de Participaciones Tecnológicas, S.A.U.	6,993	35	7,028
OHL Construction Pacific PTY, Ltda.	-	5,333	5,333
Agrupación Guinovart Obras y Servicios Hispania, S.A.U.	4,648	4	4,652
OHL Andina, S.A.	4,562	-	4,562
Constructora e Inmobiliaria Huarte, Ltda.	4,281	-	4,281
OHL Infrastructure, INC	-	3,955	3,955
Asfaltos y Construcciones Elsan, S.A.U.	1,701	11	1,712
Construcciones Colombianas OHL, S.A.S.	614	978	1,592
OHL Uruguay, S.A.	75	1,162	1,237
Vacua, S.A.	-	910	910
Sociedad Concesionaria Centro Justicia de Santiago, S.A.	-	729	729
OHL Industrial Chile, S.A.	443	-	443
Less than EUR 300 thousand	821	367	1,188
TOTAL	**108,651**	**112,111**	**220,762**

"Loans" includes financial contributions, interest and payables due to the tax effect.

The average interest rate applied in 2022 to financial contributions included in loans was 7.02% (2021: 4.39%) and the interest income generated by the financial contributions was EUR 8,832 thousand (2021: EUR 6,106 thousand).

The other balances in other financial assets related to the Company's ordinary business do not bear interest.

9.6.2 Current investments in associates

The detail of "Current investments in associates" and balances at 31 December 2022 and 2021 from UTEs after the proportionate integration of their statements of financial position and the related eliminations, is as follows:

2022

Company	Loans	Other financial assets	Total
	EUR thousand		
UTE Hospital Sidra. Qatar	-	26,580	26,580
UTE Estaciones Metro Doha. Qatar	-	6,471	6,471
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	-	984	984
Consorcio Español Alta Velocidad Meca Medina, S.A. Spain	688	-	688
UTE Ferrocarril Ankara-Estambul. Turkey	-	304	304
Less than EUR 300 thousand	367	1,022	1,389
Total current investments in associates	**1,055**	**35,361**	**36,416**

2021	EUR thousand		
Company	Loans	Other financial assets	Total
UTE Hospital Sidra. Qatar	-	27,239	27,239
UTE Estaciones Metro Doha. Qatar	-	6,088	6,088
UTE Rizzani OHL (JV2). Kuwait	-	1,137	1,137
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	-	937	937
Consorcio Español Alta Velocidad Meca Medina, S.A. Spain	687	-	687
UTE Ferrocarril Ankara-Estambul. Turkey	-	304	304
Less than EUR 300 thousand	170	821	991
Total current investments in associates	**857**	**36,526**	**37,383**

The balances in other financial assets related to the Company's ordinary business do not bear interest.

9.7 Current financial assets

The detail of "Current financial assets" at 31 December 2022 and 2021 is as follows:

2022	EUR thousand			
Classification	Equity instruments	Loans to Companies	Other financial assets	Total
Financial assets at amortised cost	-	2	180,644	180,646
Financial assets at cost	3	-	-	3
Total current financial assets	**3**	**2**	**180,644**	**180,649**

2021	EUR thousand			
Classification	Equity instruments	Loans to companies	Other financial assets	Total
Financial assets at amortised cost	-	15,879	145,190	161,069
Financial assets at cost	3	-	-	3
Total current financial assets	**3**	**15,879**	**145,190**	**161,072**

"Other financial assets" includes mainly bank accounts pledged for EUR 176,237 thousand, including a deposit of EUR 140,000 thousand (2021: EUR 140,000 thousand) provided as security for a guarantee facility of up to EUR 358,904 thousand included in the Multiproduct Syndicated Facilities Agreement (MSF), available for drawing based on certain milestones. At 31 December 2022, the amount available was EUR 340,849 thousand. This agreement, initially arranged in December 2016, has been novated several times, the last of which was on 29 July 2022. The facility currently matures on 30 June 2023, provided that certain contractual terms and conditions are met.

The reduction in "Loans to companies" was due to the amount received from Cercanías Móstoles Navalcarnero, S.A. in January as a result of the agreements and ensuing payments made by the Madrid regional government to the concession operator in December 2021.

9.8 Risk management policy

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

- Deliver OHLA Group's strategic and operating objectives.
- Protect the Company'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 the Company'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 Company'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 Company'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.

The Company’s Board of Directors is responsible for approving the Risk Control and Management Policy.

The Company's 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.

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

The Company'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 Company's objectives are as follows:

Project risk

Project risk management aims to ensure fulfilment of project obligations regarding scope, deadlines, margin and safety, and, in general, all contractual obligations. Therefore, events or situations that could jeopardise projects are identified before they occur and assessed appropriately, from identification of the opportunity and the tendering stage, so that mitigation measures can be implemented early.

Price volatility and resource scarcity risks

The Company is exposed to the risk of 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.

Governments in many countries (e.g. Spain, the Czech Republic) have started adding price-review formulae into their public contracting laws (something that is already commonplace in countries with high inflation), which help partially temper the situation. However, they cannot be applied to all contract costs or from contract inception. This means particular care must be taken with contingent items included in projects and cost estimates for long-term projects.

Nevertheless, these risks, which materialised globally in 2021 and 2022, can possibly continue or heighten in the current geopolitical landscape and because of expansionary public works policies in certain geographies.

Geopolitical and market risks

Political unrest or changes in the legal and regulatory environment in countries where the Company operates can have significant impacts on the Company's ability to achieve its business objectives. Therefore, the Company monitors country risk closely in its home markets as well as areas into which it might expand.

Nevertheless, the current geopolitical landscape gives rise to myriad uncertainties with global impact, not to mention situations that may already be occurring in geographies where the Company operates. The likely global trend towards a new division into opposing blocs points to highly volatile interest and exchange rates, rampant inflation and potential global supply chain disruptions, along with increasing unrest and social polarisation. All this can result in a shortage, or increase in the price, of certain materials (affecting expected returns and the ability to meet delivery deadlines) and investor appetite in certain geographies.

Image and reputation

The Company has an unwavering commitment to abiding by the law and complying with the leading standards in codes of conduct, which has led to considerable and meaningful improvement in its image and reputation. The objective is to minimise the possibility of inappropriate actions by employees and properly manage the risk that lax management, a smear campaign or manipulation of information by the media, lobbyists, former employees or other stakeholders will hurt the Group's image irrespective of whether the allegations are consistent with any wrongdoing by the organisation.

Personnel risk

Personnel risk relates to the organisation's ability to attract the right people and to detect, retain, develop and utilise internal talent in the right way and at the right time. The Company is designing new retention packages and incentives and targeting digital talent to streamline processes.

Systems and cybersecurity risk

Market and business trends, with continuous and rapid changes, require systems that enable the Group to obtain the information it needs and be able to analyse it quickly and adapt accordingly. This, in turn, requires working with agile methodologies that minimise the time needed to adapt systems or implement new functionalities.

Meanwhile, the Company, like any other company, is exposed to the widespread increase in the risk of cybercrimes and potential misuse of sensitive data, which would comprise the security and the operations of the Company's assets and the ordinary course of business, and cause leaks of sensitive information.

Litigation and arbitration risk

One current industry trend is the increase in litigation. Therefore, there is a risk that more lawsuits and arbitration proceedings will arise, along with the associated costs, and that the outcome due to disputes with customers or suppliers will go against the Company's interests. Therefore, the Company is still committed to reinforcing its contract management prowess.

Risk of measurement of assets and liabilities in the statement of financial position

This is understood as the risk of a decrease in the value of assets or an increase in the value of liabilities on the statement of financial position.

Financial risks

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 financial resources. The most important are:

- Interest rate risk
- Foreign currency risk
- Credit risk
- Liquidity risk

Interest rate risk

Future cash flows from assets and liabilities with floating rates fluctuate because of changes in interest rates.

Interest rate risk is particularly important in financing of infrastructure and other projects whose profitability depends on possible changes in interest rates because of its direct relationship with project cash flows.

The Company uses fixed- or floating-rate financial products to finance its operations. Based on estimates of the trend in interest rates and of debt structure targets, it either hedges transactions by entering into derivatives to mitigate these risks, preparing a related sensitivity analysis, or arranges fixed-rate financing.

Of the Company's total gross borrowings at 31 December 2022 and 2021, there were no derivative instruments designated as hedges, and fixed-rate borrowings represented 99.64%.

Foreign currency risk

Management of foreign currency risk is centralised and a variety of hedging mechanisms are used to minimise the impact of changes in foreign exchange rates against the euro.

Foreign currency risks relate primarily to:

- Borrowings denominated a foreign currency.
- Payables in international markets to acquire supplies or non-current assets.
- Receivables from projects tied to currencies other than the functional currency of the Company.
- Investments in foreign subsidiaries.

The Company enters into foreign currency derivatives and currency forwards to hedge significant future transactions and cash flows, in accordance with acceptable risk limits. There were no currency forwards in force at 31 December 2022 and 2021.

Meanwhile, net assets relating to net investments in foreign branches with a functional currency other than the euro are exposed to the risk of exchange rate fluctuations on the translation of the financial statements of these foreign branches during the integration process.

Non-current assets denominated in currencies other than the euro are financed in that same currency with a view to creating a natural hedge.

The sensitivity analysis of foreign currency risk of financial instruments for the main currencies in which the Company operates simulated a 10% increase in the foreign currency/euro exchange rate with respect to the rates applicable at 31 December 2022 and 2021. The potential impact is as follows:

	EUR thousand	
(Expense) / income	Profit/(loss)	
Currency	2022	2021
Norwegian krone	(1,362)	(1,364)
Algerian dinar	399	286
Kuwaiti dinar	(1,683)	(2,429)
US dollar	(5,938)	(3,139)
Argentine peso	(58)	(24)
Chilean peso	(3,753)	(3,510)
Colombian peso	1,361	(415)
Mexican peso	(7,982)	(6,766)
Saudi Arabian riyal	(369)	(270)
Qatari riyal	(1,717)	(1,259)
Peruvian sol	(2,937)	(4,649)
Total	**(24,039)**	**(23,539)**

Had the sensitivity analysis included the simulation of a 10% decrease in the foreign currency/euro exchange rate with respect to the rates in force at 31 December 2022 and 2021, the net impact on profit or loss would be as follows:

	EUR thousand	
(Expense) / income	Profit/(loss)	
Currency	2022	2021
Norwegian krone	1,238	1,240
Algerian dinar	(363)	(260)
Kuwaiti dinar	1,530	2,208
US dollar	5,398	2,854
Argentine peso	53	22
Chilean peso	3,412	3,191
Colombian peso	(1,237)	377
Mexican peso	7,257	6,151
Saudi Arabian riyal	336	246
Qatari riyal	1,561	1,144
Peruvian sol	2,670	4,227
Total	**21,855**	**21,400**

Credit risk

Credit risk is the probability that a counterparty will not meet its obligations under a contract, leading to a financial loss.

The Company has adopted a policy of trading only with solvent third parties and obtaining sufficient guarantees to mitigate the risk of incurring losses in the event of non-compliance. Information on counterparties is obtained through independent company valuation agencies, other public sources of financial information, or information obtained from relationships with customers and third parties.

The net balances of the Company's financial assets exposed to credit risk at 31 December 2022 were:

	EUR thousand
Non-current financial assets	94,954
Trade and other receivables	403,271
Current financial assets	348,002
Cash and cash equivalents	91,265

Non-current financial assets

Non-current financial assets includes primarily net loans to group companies and third parties. The Company does not expect any losses to arise from these financial assets.

Trade and other receivables

This item includes trade receivables amounting to EUR 314,451 thousand, of which 66.74% related to public sector customers for which the Group does not expect any losses to arise, although in certain cases there is a right to demand interest. The remaining 33.26% related to private sector customers which, in general, are highly solvent.

Customers undergo an assessment before any contracts are entered into. This assessment includes a solvency study. Changes in debt are monitored on an ongoing basis over the course of the contract term and recoverable amounts are reviewed, with impairments or write-downs recognised where necessary.

Liquidity risk

In June 2021, the Group underwent a major financial structuring, the key milestones of which 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 Obrascón Huarte Lain S.A., it 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.

This **considerably changed the Company's liquidity**, which in addition was further strengthened by:

- The disposals of several subsidiaries in 2021 (Hospital de Toledo S.A. and Mantholedo S.A..; and Aguas de Navarra S.A. and its concession operator).

- Renewal of the guarantee facilities of the Multiproduct Syndicated Facilities Agreement (MSF) and CESCE guarantee facilities of up to EUR 358,904 thousand.

- Amounts received from Cercanías Móstoles Navalcarnero, S.A. in 2021 and January 2022 after settlement of payments by the Madrid regional government for different reasons related to the main construction projects, which went primarily to repay borrowings.

As a result, the Company s liquidity position as at 31 December 2022, comprising cash and cash equivalents and current financial assets, stood at EUR 271,909 thousand (2021: EUR 266,986 thousand), broken down as follows:

- Cash and cash equivalents of EUR 91,265 thousand (2021: EUR 121,796 thousand), which included EUR 45,222 thousand related to the Group's interests in temporary business associations or joint ventures (UTEs) (2021: EUR 52,978 thousand).

- Current financial assets of EUR 180,644 thousand (2021: EUR 145,190 thousand), which include restricted assets pledged as security for EUR 176,237 thousand (2021: EUR 142,649 thousand), the main item of which is a deposit for EUR 140,000 thousand as collateral for the MSF.

The Company also has EUR 11,917 thousand (2021: 10,709 thousand) of drawable credit lines and discount facilities.

On 8 March 2022, ratings agency Moody's upgraded OHLA's corporate family rating (CFR) to B3, outlook positive, from Caa1, and the notes issued by OHL Operaciones S.A.U. from Caa2 to B3. This illustrates the improvement described above.

However, even with the Company’s improved solvency, it has yet to recover the working capital financing instruments needed to run the business properly.

Against this backdrop, the Company’s directors are monitoring the liquidity position, focusing especially on cash flow generation from the businesses and improvement of working capital. They estimate that profitability levels can be recovered and that liquidity can increase.

The 2023 business plan includes aspects that could give rise to uncertainties regarding its execution and, therefore, result in deviations (e.g. lower-than-expected order intake, unexpected working capital shortfalls, large amount of restricted cash). The main one is the impact of the ongoing conflict in Europe, which could jeopardise the fledgling recovery by the global economy, affected by high inflation and burgeoning commodity prices, as well as occasional liquidity stress due to the seasonality of the business, which could have a serious impact on the Company's forecasts for 2023.

Specifically, to mitigate the liquidity stress of the business, Company management is working with banks to secure the release of part of its restricted cash and/or obtain temporary financing, so that it will have sufficient financial coverage to ensure the Company's liquidity. On this front, the Company’s directors are confident that it will overcome the liquidity pressures and continue executing the business plan, enabling the Group to continue its operations and settle its obligations, strengthening both its equity and financial position.

10. Inventories

Detail of this item at 31 December 2022 and 2021:

2022	EUR thousand		
	Gross balance	Write-downs	Net balance
Raw materials and other supplies	13,975	-	13,975
Auxiliary shop projects and site installations	21,774	(3,428)	18,346
Advances to suppliers and subcontractors	16,940	-	16,940
Total inventories	**52,689**	**(3,428)**	**49,261**

2021	EUR thousand		
	Gross balance	Write-downs	Net balance
Raw materials and other supplies	14,144	-	14,144
Auxiliary shop projects and site installations	21,172	(3,428)	17,744
Advances to suppliers and subcontractors	14,881	-	14,881
Total inventories	**50,197**	**(3,428)**	**46,769**

Of the net balance at 31 December 2022, EUR 28,609 thousand related to UTEs (2021: EUR 21,628 thousand).

There are no significant purchase commitments related to advances to suppliers and subcontractors.

There are no indications of additional impairment of the Company's inventories at 31 December 2022 or 31 December 2021.

11. CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" includes the Company's fully liquid assets, comprising cash on hand and at banks, and short-term deposits with an original maturity of three months or less.

Of the balance at 31 December 2022, EUR 45,222 thousand related to UTEs (2021: EUR 52,978 thousand).

Use of these balances is unrestricted and they are not subject to risk of changes in value.

12. Equity and shareholders' equity

12.1 Share capital

Under the scope of the Restructuring carried out by the Group in 2021, the Company reduced capital and subsequently carried out cash capital increases, which helped to strengthen its capital structure (see Note 9.8).

After those transactions, the share capital of Obrascón Huarte Lain, S.A. 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 are the movements in 2022 and 2021:

	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**
Number of shares and nominal amount of share capital at 31 December 2022	**591,124,583**	**0.25**	**147,781**

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 2022:

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

(*) The Company ceased to have a significant shareholding in March

12.2 Legal reserve

According to the Corporate Enterprises Act, the Company must earmark an amount equal to 10% of profit for the year to a legal reserve until such reserve reaches at least 20% of the capital.

Until the legal reserve exceeds this limit, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. The legal reserve can be used to increase capital by the amount exceeding 10% of the increased capital amount.

The legal reserve was fully allocated at year-end 2022 and 2021.

12.3 Share premium

The Spanish Corporate Enterprises 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.

The share premium at 31 December 2022 stood at EUR 1,328,128 thousand.

12.4 Other reserves

At 31 December 2022, "Other reserves" included voluntary reserves amounting to EUR 116,146 thousand, the capital redemption reserve amounting to EUR 11,182 thousand and the reserve for differences on translation of capital to euros amounting to EUR 91 thousand.

The voluntary reserve included a restricted reserve of EUR 100,292 thousand allocated in 2021 due to the capital reduction carry out pursuant to article 335 (c) of the Corporate Enterprises Act.

The capital redemption reserve is the result of capital reductions carried out in 2006, 2009 and 2018 for the redemption of treasury shares in accordance with legal provisions in force to ensure the guarantee of shareholders' equity vis-à-vis third parties. This reserve is restricted and may only be used if the same requirements as those stipulated for capital reductions are met, i.e. that shareholders at the General Meeting must decide on its use.

12.5 Limitations on the distribution of dividends

Until the balance of development expenditure has been fully amortised, no dividends may be distributed unless the unrestricted reserves are at least equal to the amount of the unamortised balance of this item. At year-end 2022, development expenditures had been amortised completely, so there was no balance in “Other reserves” (2021: EUR 886 thousand).

In addition, the Company will not pay dividends, in compliance with the terms and conditions of the New Notes, the Multiproduct Syndicated Facilities (MSF) agreement and other agreements with financial creditors, until the contracts mature.

12.6 Treasury shares

At year-end 2022 the Company held 738,857 treasury shares worth EUR 341 thousand.

The changes in treasury shares in 2022 and 2021 were as follows:

	No. of shares	EUR thousand
Balance at 31 December 2020	**600,867**	**406**
Purchases	11,906,100	8,327
Sales	(11,965,671)	(8,229)
Balance at 31 December 2021	**541,296**	**504**
Purchases	24,289,551	17,215
Sales	(24,091,990)	(17,378)
Balance at 31 December 2022	**738,857**	**341**

12.7 Government grants

Disclosures on government grants received by the Company in 2022 and 2021, which are included in equity, and the related amounts recognised in profit or loss are as follows:

2022

		EUR thousand			
Grantor	Private sector/Level of government	Opening balance	Increases	Transfer to profit/(loss)	Closing balance
Spanish Centre for the Development of Industrial Technology	National government	108	-	(108)	-
European Commission	Other agencies	80	-	(80)	-
Extremadura regional government	Local government	18	-	(18)	-
Tax effect		(52)	-	52	-
Total government grants		**154**	**-**	**(154)**	**-**

2021

Grantor	Private sector/Level of government	EUR thousand Opening balance	Increases	Transfer to profit/(loss)	Closing balance
Spanish Centre for the Development of Industrial Technology	National government	226	-	(118)	108
European Commission	Other agencies	324	15	(259)	80
Extremadura regional government	Local government	38	-	(20)	18
Tax effect		(147)	(4)	99	(52)
Total government grants		**441**	**11**	**(298)**	**154**

At year-end 2022 and 2021, the Company had complied with all the attaching conditions for receiving the grants detailed above.

13. PROVISIONS, AND CONTINGENT ASSETS AND LIABILITIES

13.1 Provisions

The detail of provisions in the statement of financial position as at 31 December 2022 and 2021 is as follows:

Non-current provisions	EUR thousand Balance at 31 December 2021	Arising during the year	Utilised	Balance at 31 December 2022
Provisions for taxes	2,600	1,234	(3,035)	799
Provisions for employment benefits expense (see Note 17.3)	863	1,295	-	2,158
Provisions for investees	28,137	-	(7,123)	21,014
Total non-current provisions	**31,600**	**2,529**	**(10,158)**	**23,971**

Provisions for investees include the amount of losses of Group companies and associates from the date at which their carrying amount was equal to zero, as described in Appendix II. Increases in these provisions were recognised in "Other operating expenses" in the statement of profit or loss. The largest reduction related to the reversal of the provision for OHL Infrastructure, Inc. following the sale of the interest (see Notes 8 and 17.6).

Provisions	EUR thousand Balance at 31 December 2021	Arising during the year	Utilised	Balance at 31 December 2022
Termination benefits	4,463	-	(212)	4,251
Project completion	28,333	5,085	(4,344)	29,074
Management and other fees	5,577	2,241	(2,556)	5,262
Other provisions	110,477	6,200	(31,583)	85,094
Total current provisions	**148,850**	**13,526**	**(38,695)**	**123,681**

Of total current provisions at 31 December 2022, EUR 52,776 thousand related to UTEs (2021: EUR 67,157 thousand).

"Other provisions" relates to provisions for future contract losses and provisions for the Company's ordinary operations related to several items, such as guarantees and deposits, insurance, taxes, third-party liability and others corresponding to numerous contracts.

13.2 Contingent assets

No contingent assets were recognised as at 31 December 2022 and 2021.

13.3 Contingent liabilities

13.3.1 Guarantee commitments to third parties

At 31 December 2022 the Company had provided guarantees totalling EUR 3,629,290 thousand (2021: EUR 3,374,341 thousand), broken down as follows:

	EUR thousand	
Type	**2022**	**2021**
Completion bonds and guarantees for project bids	**1,534,887**	**1,434,793**
Definitive guarantees	1,496,839	1,395,666
Provision guarantees	38,048	39,127
Personal guarantees	**2,094,403**	**1,939,548**
Total	**3,629,290**	**3,374,341**

In line with standard industry practice, completion bonds and guarantees for project bids were provided to guarantee the proper performance of construction and project contracts (definitive guarantees), and as guarantees for construction project bids (provisional guarantees).

The joint and several personal guarantees secure various transactions and are provided mainly to banks.

The detail of the guarantees by type of entity at 31 December 2022 and 2021 is as follows:

2022	EUR thousand	
Secured entity	**Completion bonds and guarantees for project bids**	**Personal guarantees**
Obrascón Huarte Lain, S.A.	821,278	135
Group companies	669,598	2,092,423
Associates	44,011	1,845
Total	**1,534,887**	**2,094,403**

2021	EUR thousand	
Secured entity	**Completion bonds and guarantees for project bids**	**Personal guarantees**
Obrascón Huarte Lain, S.A.	752,441	112
Group companies	635,803	1,937,037
Associates	46,549	2,399
Total	**1,434,793**	**1,939,548**

Moreover, the Company is secondarily liable for obligations of subcontractors owed to social security agencies for on-site personnel.

The Company's directors do not expect these guarantees to give rise to additional liabilities affecting the financial statements for the year ended 31 December 2022.

13.3.2 Litigation

At year-end 2022, the Company was involved in a range of disputes arising from the ordinary course of business.

In the Construction division, the key disputes were:

- In 2014, the Company 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 Company 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 224.8 million), payment for scope modifications that were executed but remain unpaid, as acknowledged in the partial award (QAR 182 million, or EUR 46.5 million), acknowledgement of and payment for scope modifications that were executed but remain unpaid, in respect of which an arbitration award is yet to be made (QAR 76 million, or EUR 19.4 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 48.5 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 664.2 million), defect repair costs (QAR 124 million, or EUR 31.7 million), defect repair costs yet to be fully determined (QAR 106 million, or EUR 27.1 million), further costs relating to defect repairs (QAR 238 million, EUR 60.8 million) and liquidated damages for the delay caused by the joint venture (QAR 792 million, EUR 202.3 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 224.8 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 arbitration award has already been rendered (QAR 182 million, EUR 46.5 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 31.7 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 Company's management, and in view of the timeframes within which an arbitration award might be expected, the Company'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 Company will suffer any additional economic loss.

- On 7 February 2017, Rizzani de Eccher, SpA, Trevi, SpA and Obrascón 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 308.2 million), or, in the alternative, KWD 90.4 million (EUR 276.9 million), plus, in any event, KWD 2.3 million (EUR 7 million), based on an assessment by independent consultants. Kuwait filed a counter-memorial, containing a counter-claim for KWD 32.1 million (EUR 98.3 million). On 15 December 2022, the Arbitration Court ruled on the proceeding, rejecting by majority, with one dissenting vote, both the joint venture's claim and Kuwait's counterclaim as it considered that the Kuwaiti courts had jurisdiction. On 6 March 2023, the joint venture filed an appeal against this decision.

- On 13 December 2017, Samsung C&T Corporation, Obrascón 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 1,500 million (EUR 383.2 million). Kuwait filed an initial counter-claim for QAR 1,000 million (EUR 255.5 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 1,400 million (EUR 357.7 million). Qatar Railways then counter-claimed for damages initially estimated at QAR 860 million (EUR 219.7 million).

  The Company’s directors drew the conclusion that, despite the remaining uncertainty, it is unlikely that the Company will suffer any additional economic loss.

- After a suspension period, proceedings resumed by Obrascón Huarte Lain, S.A. against the Polish company PGB, S.A. OHL seeks damages of PLN 191.5 million (EUR 40.9 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 Company 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 Company seeks damages of EUR 200 million. Anesrif has counter-claimed for EUR 56.9 million.

- The Company is suing the Chilean finance ministry and ministry of public works in connection with a contract to build the **Chacrillas reservoir**. The Company seeks damages of CLP 30,169 million (EUR 33.2 million).

- On 24 November 2022, OHL was sued by Aleatica, S.A., which claimed USD 62.7 million (EUR 58.8 million) or subsidiarily USD 53.5 million (EUR 50.2 million). This claim relates to a receivables assignment agreement entered into on 28.9.2016 between OHL and OHL Concesiones S.A.U. (former name of Aleatica, S.A.) under which OHL assigned to Aleatica a receivable from Autopista del Norte, S.A.C. (a Peruvian subsidiary of Aleatica) arising from the **Red Vial 4 construction contract.** The Company has rejected the claim. Based on reports from a law firm, the Company's directors do not see any reasons to recognise a provision in this connection.

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 Company. No such person is currently employed by or associated with the Company.

  At the date of this report, we are not aware of any formal accusation having been made against any current Company 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 Company is involved in a range of minor lawsuits arising from the ordinary course of business, none of which is material when considered individually.

13.3.3 Other contingent liabilities

"Contingent liabilities" are ordinary liabilities for fulfilment of construction contracts entered into by construction companies, including UTEs in which they have an interest. Moreover, there is secondary liability for obligations of subcontractors owed to social security agencies for on-site personnel. The Company 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, S.A. 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

  (ii) order that they be stayed, and request that the CNMC commence new infringement proceedings.

  On 6 July 2022, the CNMC Competition Board notified OHL, S.A. of its resolution, imposing a fine of EUR 21.5 million. On 23 July 2022, OHL, S.A. submitted an application for judicial review against the resolution with the National High Court and filed its suit on 14 October 2022. Together with the statement of interposition, it requested that the CNMC resolution be suspended. This request was granted by the National High Court in a ruling dated 30 September 2022.

- On 10 March 2021, the **Peruvian competition authority** was asked to consider imposing a penalty on the Company 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 million (EUR 47.8 million). On 17 November 2021, a first-instance decision was issued, imposing a penalty on the Company of UIT 28,268.88 (EUR 32 million). An application for judicial review was submitted, so the proceeding is still in the administrative phase. In the view of the directors and the legal advisors, at the date of issue of the accompanying financial statements there was no reason to recognise any provision in this respect.

14. FINANCIAL LIABILITIES

The detail of financial liabilities at 31 December is as follows:

	EUR thousand					
	Bank borrowings		Other liabilities		Total	
Classification	2022	2021	2022	2021	2022	2021
Non-current financial liabilities						
Financial liabilities at amortised cost	18	38,718	547,448	450,665	547,466	489,383
Total non-current financial liabilities	**18**	**38,718**	**547,448**	**450,665**	**547,466**	**489,383**
Current financial liabilities						
Financial liabilities at amortised cost	9,055	25,177	896,127	913,398	905,182	938,575
Total current financial liabilities	**9,055**	**25,177**	**896,127**	**913,398**	**905,182**	**938,575**
Total financial liabilities	**9,073**	**63,895**	**1,443,575**	**1,364,063**	**1,452,648**	**1,427,958**

These amounts are included in the following statement of financial position line items:

Item	EUR thousand					
	Bank borrowings		Other liabilities		Total	
	2022	2021	2022	2021	2022	2021
Non-current financial liabilities						
Loans and borrowings	18	38,718	14,786	6,023	14,804	44,741
Loans and borrowings from group companies and associates	-	-	532,662	444,642	532,662	444,642
Total non-current financial liabilities	**18**	**38,718**	**547,448**	**450,665**	**547,466**	**489,383**
Current financial liabilities						
Current loans and borrowings	9,055	25,177	20,750	7,654	29,805	32,831
Loans and borrowings from group companies and associates	-	-	258,760	344,252	258,760	344,252
Trade payables	-	-	276,092	240,081	276,092	240,081
Trade notes payable	-	-	41,895	35,398	41,895	35,398
Trade payables to group companies and associates	-	-	36,567	42,288	36,567	42,288
Employee receivables	-	-	10,898	10,782	10,898	10,782
Advances from customers	-	-	251,165	232,943	251,165	232,943
Total current financial liabilities	**9,055**	**25,177**	**896,127**	**913,398**	**905,182**	**938,575**
Total financial liabilities	**9,073**	**63,895**	**1,443,575**	**1,364,063**	**1,452,648**	**1,427,958**

14.1 Non-current and current loans and borrowings

Balance of "Non-current loans and borrowings" at 31 December 2022 and 2021:

2022	EUR thousand			
	Non-current financial assets			
Classification	Bank borrowings	Finance lease payables	Other financial liabilities	Total
Financial liabilities at amortised cost	18	195	14,591	14,804
Total non-current loans and borrowings	**18**	**195**	**14,591**	**14,804**

2021	EUR thousand			
	Non-current financial assets			
Classification	Bank borrowings	Finance lease payables	Other financial liabilities	Total
Financial liabilities at amortised cost	38,718	-	6,023	44,741
Total non-current loans and borrowings	**38,718**	**-**	**6,023**	**44,741**

Balance of “Current loans and borrowings” at 31 December 2022 and 2021:

2022	EUR thousand			
	Current financial assets			
Classification	Bank borrowings	Finance lease payables	Other financial liabilities	Total
Financial liabilities at amortised cost	9,055	145	20,605	29,805
Total current loans and borrowings	**9,055**	**145**	**20,605**	**29,805**

2021	EUR thousand			
	Current financial assets			
Classification	Bank borrowings	Finance lease payables	Other financial liabilities	Total
Financial liabilities at amortised cost	25,177	-	7,654	32,831
Total current loans and borrowings	**25,177**	**-**	**7,654**	**32,831**

The detail of “Non-current and current loans and borrowings” by maturity is as follows:

	EUR thousand			
	2023	2024	2025	Total
Bank borrowings	9,055	16	2	9,073
Finance lease payables	145	166	29	340
Other financial liabilities	20,605	10,159	4,432	35,196
Total non-current and current loans and	**29,805**	**10,341**	**4,463**	**44,609**

Of total "Non-current loans and borrowings" at 31 December 2022, EUR 1,949 thousand related to UTEs (2021: EUR 1,949 thousand).

Of total "Current loans and borrowings" at 31 December 2022, EUR 3,521 thousand related to UTEs (2021: EUR 3,092 thousand).

In 2022, the Company reduced loans and borrowings using payments received from concession operator Cercanías Móstoles Navalcarnero in January 2022 in settlement from the Madrid regional government in December 2021 as payment for investments made in major projects.

Use of these funds, disclosed to the market on 4 February 2022, was to comply with the terms agreed with financial creditors in the framework of the financial restructuring. They went mainly to:

- **Full repayment of the ICO-backed loan, of principal amounting to EUR 54,502 thousand** plus interest as at the date of cancellation of EUR 258 thousand.
- **Partial redemption of the notes issue, for EUR 43,204 thousand of principal** and EUR 1,378 thousand of accrued interest payable by OHL Operaciones, S.A.U.

At 31 December 2022, the Company had a EUR 33 thousand loan facility (2021: EUR 48 thousand), secured by a mortgage on certain investment properties.

The Company has discount and credit facilities at 31 December 2022 and 2021 with the following limits:

	EUR thousand			
	2022		2021	
	Limit	Undrawn amount	Limit	Undrawn amount
Credit facilities	20,957	11,917	75,507	10,709
Total	**20,957**	**11,917**	**75,507**	**10,709**

These credit facilities accrued average interest in 2022 of 5.18% (2021: 4.79%).

14.2 Non-current and current borrowings with group companies and associates

The reconciliation of the carrying amount of these items at 31 December 2022 and 2021 is as follows:

2022	EUR thousand		
	Group	Group	Associates
Company	Non-current	Current	Current
OHL Operaciones, S.A.U.	428,400	8,719	-
Constructora de Proyectos Viales de México, S.A. de C.V.	104,262	423	-
OHL Andina, S.A.	-	47,218	-
Agrupación Guinovart Obras y Servicios Hispania, S.A.U.	-	46,416	-
S.A. Trabajos y Obras (SATO)	-	37,620	-
OHL Industrial, S.L.U.	-	27,757	-
OHL Austral, S.A.	-	27,465	-
Sociedad Concesionaria Centro Justicia de Santiago, S.A.	-	19,964	-
Asfaltos y Construcciones Elsan, S.A.U.	-	16,410	-
Avalora Tecnologías de la Información, S.A.U.	-	4,596	-
Construcciones Adolfo Sobrino, S.A.U.	-	2,971	-
Constructora TP, S.A.C.	-	1,626	-
EyM Instalaciones, S.A.U.	-	1,400	-
OHL Arabia, LLC	-	1,392	-
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	-	1,355	-
Pacadar, S.A.U.	-	457	-
Obrascón Huarte Laín, Desarrollos, S.A.U.	-	300	-
Borrowings less than EUR 300 thousand	-	582	-
UTE Marmaray. Turkey	-	-	7,439
UTE Schofields Road Two. Australia	-	-	563
UTE Angiozar. Spain	-	-	475
UTE Hospital Alajuela. Costa Rica	-	-	358
UTE Puerto-Caldereta. Spain	-	-	322
UTE Kuwait JV4. Kuwait	-	-	318
UTE Caldereta Corralejo. Spain	-	-	304
Borrowings less than EUR 300 thousand	-	-	2,310
Total	**532,662**	**246,671**	**12,089**

2021	EUR thousand		
	Group	Group	Associates
Company	Non-current	Current	Current
OHL Operaciones, S.A.U.	444,642	9,467	-
Constructora de Proyectos Viales de México, S.A. de C.V.	-	88,068	-
Agrupación Guinovart Obras y Servicios Hispania, S.A.U.	-	54,570	-
OHL Andina, S.A.	-	44,912	-
S.A. Trabajos y Obras (SATO)	-	34,978	-
OHL Industrial, S.L.U.	-	26,550	-
OHL Austral, S.A.	-	23,912	-
Sociedad Concesionaria Centro Justicia de Santiago, S.A.	-	17,293	-
Asfaltos y Construcciones Elsan, S.A.U.	-	15,620	-
Avalora Tecnologías de la Información, S.A.U.	-	4,168	-
OHL Arabia, LLC	-	2,963	-
Constructora TP, S.A.C.	-	1,457	-
Obrascón Huarte Lain, Desarrollos, S.A.U.	-	1,400	-
EYM Instalaciones, S.A.U.	-	674	-
Borrowings less than EUR 300 thousand	-	571	-
UTE Marmaray. Turkey	-	-	14,147
UTE Angiozar. Spain	-	-	603
UTE Schofields Road Two. Australia	-	-	566
UTE Caldereta Corralejo. Spain	-	-	358
UTE Puerto-Caldereta. Spain	-	-	334
Borrowings less than EUR 300 thousand	-	-	1,641
Total	**444,642**	**326,603**	**17,649**

The non-current loan with OHL Operaciones, S.A.U. relates to the loan signed on 23 June 2021, which is a "mirror" loan; i.e. it has the same terms and conditions regarding maturity and interest rates as the notes issued by that company, as follows:

- Initial nominal amount: EUR 487,267 thousand.
- Maturity: 50% on 31 March 2025 and the remaining 50% on 31 March 2026.
- Nominal interest rate: 5.1% per annum payable every six months, on 15 March and 15 September each year.
- Payment-in-kind (PIK) interest rate: 1.5% per annum until 15 September 2023 and 4.65% thereafter. At each interest payment date, PIK interest is capitalised and added to the total outstanding principal.

As a result of the partial redemption of notes issued by OHL Operaciones, S.A.U. for a nominal amount of EUR 43,067 thousand, the loan with that company was cancelled by the same amount, leaving a new nominal amount of EUR 444,200 thousand.

“Current” under "Group" includes mainly loans and borrowings due to the tax effect.

Finance costs generated on loans in 2022 amounted to EUR 73,775 thousand (2021: EUR 40,395 thousand) (see Note 18.1).

The average interest applied to current financial contributions to Group companies in 2022 was 7.13% (2021: 4.96%). The remaining balances are trade transactions and, therefore, did not accrue any interest.

14.3 Trade payables

14.3.1 Information on average payment period to suppliers. Additional Provision Three. “Disclosure requirements of Law 18/2022, of 28 September"

Law 18/2022 of 28 September amends Law 15/2010 of 5 July establishing measures to combat late payment in commercial transactions. Specifically, it amends additional provision three, which required companies to expressly disclose information in the notes to the financial statements on the period of payment to suppliers.

In accordance with this law, set out below are disclosures on the average payment period, ratios of transactions paid and transactions outstanding as a 31 December 2022 and 2021 and the monetary value of invoices paid within the legally stipulated deadline and the percentages these represent of total invoices and the monetary value of payments to suppliers as at 31 December 2022 and 2021:

	Days	
	2022	2021
Average supplier payment period	72	73
Ratio of transactions paid	75	75
Ratio of transactions outstanding	60	62

	EUR thousand	
	2022	2021
Total payments made	278,287	234,879
Total payments outstanding	49,764	39,953

Invoices paid within the legally stipulated deadline:	2022	2021
Monetary value (EUR thousand)	64,501	71,798
Number of invoices	17,320	16,304
Monetary value/total	23 %	31 %
Number of invoices/total	40 %	34 %

Average supplier payment period is calculated by dividing the ratio of transactions paid times the total amount of payments made plus the ratio of transactions outstanding times the total amount of payments outstanding by the total amount of payments made and the payments outstanding.

The ratio of transactions paid is calculated by dividing the sum of amounts paid for each transaction times the number of payment days by the total amount of payments made.

The ratio of outstanding transactions is calculated by dividing the sum of amounts outstanding for each transaction times the number of days remaining until the last day of the period by the total amount of payments outstanding.

The Company is taking measures to comply with the ratio of outstanding transactions, which exceeds the statutory limit, but not significantly.

14.3.2 Trade payables to group companies and associates

The detail of "Trade payables to group companies and associates" at 31 December 2022 and 2021 is as follows:

2022	EUR thousand	
Company	Group	Associates
EyM Instalaciones, S.A.U.	11,265	-
Sociedad Concesionaria Hospitales Red Biobio, S.A.	7,529	-
Pacadar Panamá, S.A.	1,678	-
Asfaltos y Construcciones Elsan, S.A.U.	1,561	-
Premol, S.A. de C.V.	1,521	-
Constructora de Proyectos Viales de México, S.A. de C.V.	899	-
Construcciones Colombianas OHL, S.A.S.	825	-
OHL Servicios Ingesan, S.A.U.	642	-
OHL Colombia, S.A.S.	314	-
Less than EUR 300 thousand	1,089	-
Sociedad Concesionaria Vespucio Oriente, S.A. Chile	-	4,559
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	-	2,948
Consorcio Cantera OHLA-PEVOEX. Peru	-	645
Consorcio Canteras Rios Casma-Huarmey. Peru	-	549
Concesionaria Ruta Bogotá Norte, S.A.S. Colombia	-	542
Less than EUR 300 thousand	-	1
Total	**27,323**	**9,244**

2021	EUR thousand	
Company	Group	Associates
EyM Instalaciones, S.A.U.	10,856	-
Premol, S.A. de C.V.	1,424	-
OHL Servicios Ingesan, S.A.U.	801	-
Asfaltos y Construcciones Elsan, S.A.U.	615	-
Construcciones Colombianas OHL, S.A.S.	607	-
Constructora de Proyectos Viales de México, S.A. de C.V.	558	-
Pacadar Panamá, S.A.	449	-
OHL Colombia, S.A.S.	302	-
Less than EUR 300 thousand	1,189	-
Sociedad Concesionaria Vespucio Oriente, S.A. Chile	-	22,614
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	-	2,809
Less than EUR 300 thousand	-	64
Total	**16,801**	**25,487**

These balances are trade transactions and, therefore, do not accrue any interest.

14.3.3 Trade and other payables

Some of the UTEs in which the Company has an interest have entered into reverse factoring arrangements with several banks to facilitate early payment to suppliers, under which suppliers may exercise their collection rights vis-à-vis the UTEs and obtain the amount billed less the finance costs of discounting and the fees charged by those banks.

These arrangements do not modify the principal terms and conditions of payment to suppliers, such as the term or amount. Therefore, the amounts are classified as trade payables.

As at 31 December 2022, the balance of “reverse factoring” in “Trade and other payables” amounted to EUR 987 thousand (2021: EUR 987 thousand).

15. TAX MATTERS

15.1 Current tax receivables and payables

The detail of the current tax receivables and payables at 31 December 2022 and 2021 is as follows:

Tax receivables	EUR thousand	
	2022	2021
Current tax assets:	**29,418**	**30,002**
Income tax prepayments	2,771	2,970
Withholdings on investment income	26,112	23,511
Income tax refund	535	3,521
Other tax receivables:	**12,858**	**10,348**
Sales tax refundable	6,357	6,969
Other tax receivables	4,277	3,376
Social Security receivable	2,224	3
Total	**42,276**	**40,350**

Tax payables	EUR thousand	
	2022	2021
Current tax liabilities:	**5,365**	**7,157**
Income tax payable	5,365	7,157
Other tax payables:	**28,393**	**21,469**
Sales tax payable	17,780	12,590
Business and professional income tax payable	2,461	2,216
Tax payable on investment income	1,556	1,147
Other tax payables	4,277	3,190
Social Security payable	2,319	2,326
Total	**33,758**	**28,626**

Since 1 January 2019 the Company has filed consolidated VAT returns under no. IVA0028/19, and is the Parent of the tax group.

15.2 Reconciliation of accounting profit and taxable income

The Company has filed consolidated income tax returns since 1999 and is head of the consolidated tax group.

Income tax expense/(income) in 2022 amounted to EUR 10,156 thousand.

Income tax is calculated based on accounting profit or loss, obtained by applying generally accepted accounting principles. It does not necessarily coincide with taxable profit or tax loss, understood as the tax base.

Reconciliation of accounting profit (loss) and the Company's taxable profit (loss) at 31 December 2022 and 2021:

2022	EUR thousand		
	Increases	Decreases	Total
Accounting profit/(loss) before tax			**(55,923)**
Permanent differences	55,959	(97,613)	(41,654)
Temporary differences:			
Arising in the year	3,949	(10,023)	(6,074)
Arising in prior years	9,201	(13,435)	(4,234)
Offset of tax losses			**-**
Taxable profit/(loss)			**(107,885)**

2021	EUR thousand		
	Increases	Decreases	Total
Accounting profit/(loss) before tax			**32,243**
Permanent differences	51,109	(164,884)	(113,775)
Temporary differences:			
Arising in the year	3,586	(21,149)	(17,563)
Arising in prior years	4,252	(936)	3,316
Offset of tax losses			**-**
Taxable profit/(loss)			**(95,779)**

Permanent differences in 2022 and 2021 related mainly to expenses non-tax-deductible expenses, profit or loss obtained abroad, the recognition and utilisation of provisions and the exemption of tax on dividends and capital gains.

Temporary differences arose mainly from:

- The profit or loss of UTEs, the recognition of which for tax purposes is deferred for one year.
- The contribution to employee retirement insurance.
- The recognition and utilisation of provisions considered non-tax- deductible or taxable.
- Amortisation and depreciation considered non-tax-deductible expenses in prior years.

15.3 Breakdown of Spanish income tax

The breakdown of Spanish income tax expense/(income) at 31 December 2022 and 2021 is as follows:

	EUR thousand	
	2022	2021
Current tax	(4,605)	(7,608)
Deferred tax	2,577	3,562
Positive/negative adjustments to income tax	7,975	670
Total income tax expense/(income)	**5,947**	**(3,376)**

Deferred tax relates to the reversal of other adjustments of deferred taxes, which arose in the current year.

15.4 Tax recognised in equity

Taxes recognised directly in equity at 31 December 2022 and 2021 are as follows:

2022	EUR thousand		
	Increases	Decreases	Total
Current tax	-	-	-
Total current tax	-	-	-
Deferred tax			
Arising in prior years:			
Government grants	52	-	52
Total deferred tax	**52**	**-**	**52**
Total tax recognised directly in equity	**52**	**-**	**52**

2021	EUR thousand		
	Increases	Decreases	Total
Current tax	-	-	-
Total current tax	-	-	-
Deferred tax			
Arising in the year:			
Government grants	-	4	(4)
Arising in prior years:			
Government grants	99	-	99
Total deferred tax	**99**	**4**	**95**
Total tax recognised directly in equity	**99**	**4**	**95**

15.5 Deferred tax assets

The detail of "Deferred tax assets" at 31 December 2022 and 2021 is as follows:

	EUR thousand	
	2022	2021
Deductible temporary differences	18,310	25,617
Unused tax credits and tax relief	2	4
Carry forward of unused tax losses	18,686	10,201
Total deferred tax assets	**36,998**	**35,822**

The Company reassessed the recoverability of deferred tax assets based on a long-term business plan, which include assumptions regarding transaction volume and expected returns in line with technical and financial capabilities, and the outlook for the markets in which it operates. No risks of recoverability were uncovered by the reassessment of outstanding balances at 31 December 2022 within the recovery periods provided in Spanish accounting regulations.

At 31 December 2022, the Company had EUR 888,733 thousand of unused tax losses carried forward that can be utilised in future tax returns. According to Spanish tax law, there is no time limit for offset. Most of the tax losses have not been recognised for accounting purposes.

The detail of unused tax credits (not recognised for accounting purposes) as at 31 December 2022 available for deduction in future tax returns is as follows:

	EUR thousand	
Type of tax credit	Amount	Last year for
International tax credits	1,920	No limit
Reinvestment tax credits	947	2023
R&D&I tax credits	6,587	2023
Other	4,700	2023

15.6 deferred tax liabilities

The detail of "Deferred tax liabilities" at 31 December 2022 and 2021 is as follows:

	EUR thousand	
	2022	2021
Taxable temporary differences	4,570	5,024
Total deferred tax liabilities	**4,570**	**5,024**

15.7 Years open to inspection and tax audits

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

At year-end 2022, the Company and its UTEs were subject to review by the taxation authorities for the tax periods that were not beyond the statute of limitations for all taxes applicable to them.

In July 2020, the Spanish taxation authorities (AEAT) notified the commencement of a tax audit of the following taxes and periods:

	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

On 27 July 2022, the inspection of value added tax (VAT) and personal income tax withholdings/payments on account was completed, for a total amount of EUR 4,351 thousand, recognised in the statement of profit and loss.

Regarding income tax, on 5 December 2022, the AEAT notified the Company of the settlement agreement whereby it legalised EUR 10,297 thousand of tax losses. This did not give rise to any amount payable. The Company disputed this settlement and filed an appeal with the Central Economic Administrative Court.

The Company's directors consider that all applicable taxes have been duly paid so that even in the event of discrepancies in the interpretation of prevailing tax legislation with respect to the treatment applied, the resulting potential tax liabilities, if any, would not have a material impact on the accompanying financial statements.

16. UTEs

Sales, assets and liabilities of UTEs before eliminations at 31 December 2022 and 2021 are as follows:

	EUR thousand	
	2022	2021
Revenue	234,422	150,018
Non-current assets	6,342	5,997
Current assets	365,503	327,026
Non-current liabilities	2,149	2,027
Current liabilities	343,681	309,103

Appendix I provides information on percentage ownership and revenue for the main UTEs in which the Company has interests.

17. Revenue and expenses

17.1 Revenue

In 2022, Obrascón Huarte Lain, S.A. obtained revenue of EUR 738,393 thousand (2021: EUR 593,821 thousand), broken down by activity, type of customer and geographical market as follows:

	EUR thousand	
Business activity	2022	2021
Civil engineering work in Spain	**129,230**	**93,988**
Roads	53,393	51,498
Hydraulic works	21,162	11,542
Railways	46,487	23,360
Maritime	3,613	2,377
Other civil engineering work	4,575	5,211
Building construction in Spain	**175,843**	**123,552**
Residential	10,256	22,670
Non-residential	165,587	100,882
Other	**637**	**508**
Total construction in Spain	**305,710**	**218,048**
Civil engineering work abroad	**318,870**	**345,485**
Roads	137,218	201,990
Hydraulic works	86,529	48,105
Railways	90,134	91,141
Maritime and other civil engineering work	4,989	4,249
Building construction abroad	**113,813**	**30,288**
Non-residential	113,813	30,288
Total construction abroad	**432,683**	**375,773**
Total revenue	**738,393**	**593,821**

	EUR thousand	
Type of customer	2022	2021
Spain:		
Public sector customers:	**195,131**	**150,276**
Central government	31,904	37,602
Regional government	75,251	69,913
Local government	5,655	13,888
Other agencies	82,321	28,873
Private sector customers	**110,579**	**67,772**
Total Spain	**305,710**	**218,048**
Abroad:		
Public sector customers	283,203	78,598
Private sector customers	149,480	297,175
Total abroad	**432,683**	**375,773**
Total revenue	**738,393**	**593,821**

Geographical area	EUR thousand 2022	2021
Spain:		
Spain	305,710	218,048
Total Spain	**305,710**	**218,048**
Abroad:		
Chile	108,030	183,240
Peru	220,401	83,518
ROW	104,252	109,015
Total abroad	**432,683**	**375,773**
Total revenue	**783,393**	**593,821**

Of the total balance of revenue at 31 December 2022, EUR 234,422 thousand related to UTEs (2021: EUR 150,018 thousand).

The countries where the Company conducts business on a permanent basis, i.e. where it has a local presence, are Spain, Chile and Peru. The Company also has a presence in other countries that are not considered local markets currently and are grouped together under "ROW".

The balance of "Other operating income" in the statement of profit or loss at 31 December 2022 and 2021 included EUR 79,601 thousand and EUR 96,833 thousand, respectively, of revenue from the rendering of services to Group companies and other income.

17.2 Cost of sales

Detail of "Cost of sales" in the accompanying statement of profit or loss for the years ended 31 December 2022 and 2021:

	EUR thousand 2022	2021
Purchases of construction materials and machinery spare parts	116,204	88,192
Change in inventories of construction materials and machinery spare parts	376	(1,976)
Cost of construction materials and machinery parts used	**116,580**	**86,216**
Subcontracted work	378,321	337,491
Total cost of sales	**494,901**	**423,707**

The balance at 31 December 2022 included EUR 117,682 thousand from UTEs (2021: EUR 81,010 thousand).

The detail of purchases made by the Company in 2022 and 2021 by origin is as follows:

2022	EUR thousand		
	Spain	Intra-EU	Imports
Purchases	53,578	1,494	61,132

2021	EUR thousand		
	Spain	Intra-EU	Imports
Purchases	33,776	3,855	50,561

17.3 Long-term employee benefit expenses

In December 2021, the Company approved a remuneration scheme for certain managers whereby it is required to pay an extraordinary remuneration on their departure from the company.

To cover the obligation, the Company took out a group life insurance policy, under which it maintains the risks subject to changes in actuarial assumptions and passes them on to the insurance company through the annual premium (see Note 18.3).

The detail of the plan obligations and plan assets at 31 December is as follows:

	EUR thousand	
	2022	2021
Accrued but not vested benefits	2,158	863
Fair value of plan assets	2,061	865

17.4 Losses on, impairment of and changes in trade provisions

The detail of the balances of this item is as follows:

	EUR thousand	
	2022	2021
Change in provisions and credit losses on trade receivables	(73)	(5,170)
Change in current provisions	28,580	11,870
Total losses on, impairment of and changes in trade provisions	**28,507**	**6,700**

The change in current provisions was the result of several items described in Note 13.1.

17.5 Third-party finance income and costs

The detail of the balances comprising this statement of profit or loss item is as follows:

	EUR thousand	
	2022	2021
Dividends	9	10
Total finance income from investments in equity instruments	**9**	**10**
Interest income on non-current and current loans	2,097	1,790
Restructuring income	-	99,481
Other finance income	1,619	3,262
Total finance income from marketable securities and other financial instruments	**3,716**	**104,533**
Interest and costs on bonds and marketable securities	-	(18,236)
Interest on bank borrowings	(3,830)	(7,654)
Restructuring costs	-	(21,162)
Other finance costs	(11,301)	(11,020)
Total finance costs on third-party loans and borrowings	**(15,131)**	**(58,072)**

Restructuring income in 2021 related to the difference between the nominal value of the original notes and the fair value of the new notes and shares recognised after the restructuring carried out in 2021.

Other finance income includes mainly income from late payment interest as explained in Note 4.10.

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

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

Impairment and losses	EUR thousand	
	2022	2021
Impairment on equity instruments of group companies	(116,615)	-
Impairment on loans to group companies	(14,400)	(20,415)
Reversals of impairment on equity instruments of group companies	14,400	-
Reversals of impairment on loans to group companies	116,615	-
Other impairments, reversals and other gains or losses	13,730	228
Total impairment and losses	**13,730**	**(20,187)**

Impairment on equity instruments of group companies and reversal of impairment on loans to group companies in 2022 related to OHL Industrial, S.L.U., as a result of the non-monetary contribution of the profit participating loan (see Note 8).

The reversal of impairment on equity instruments of group companies related to Obrascón Huarte Lain, Construcción Internacional, S.L.U.

Impairment on loans to group companies in 2022 and 2021 related to Obrascón Huarte Lain, Desarrollos, S.A.U.

Other impairments and reversals include primarily the reversal of impairment on the loan to Grupo Villar Mir, S.A.U. for EUR 13,981 thousand (see Note 9.2).

Gains/(losses) on disposals and other	EUR thousand	
	2022	2021
Gains/(losses) on disposal of equity instruments of group companies and associates	(4,580)	52,390
Other losses	(472)	(3,142)
Total gains or losses on disposals and other	**(5,052)**	**49,248**

This statement of profit or loss item in 2022 included the loss on the sale of the stake in OHL Infrastructure, Inc. (see Notes 8 and 13.1).

In 2021, it included the gain on the sales of Nuevo Hospital de Toledo, S.A. and Mantohledo, S.A., of EUR 46,118 thousand, and the gain on the sales of Concesionaria Aguas de Navarra, S.A. and Navarra Gestión del Agua, S.A., of EUR 6,272 thousand, after deducting the costs related to the sales.

17.7 Foreign currency transactions and balances

The main foreign currency transactions carried in 2022 and 2021 by currency and the main operating income and expense items, translated to euros at the average exchange rates, are as follows:

2022	EUR thousand			
Currency	Revenue	Other operating income	Cost of sales	Other operating expenses
Norwegian krone	37,794	1,280	21,190	5,554
Algerian dinar	-	5	(130)	(167)
Kuwaiti dinar	-	105	(1,639)	381
Australian dollar	-	-	2	17
US dollar	22,564	112	30,183	7,373
Pound Sterling	(7,959)	40	2,398	2,291
Turkish lira	-	20	55	357
Argentine peso	-	-	1	38
Chilean peso	108,030	155	62,175	11,495
Colombian peso	30,688	2,467	12,716	4,317
Mexican peso	-	3,493	(6)	3,600
Uruguayan peso	-	-	-	50
Qatari riyal	-	-	(10)	7,740
Peruvian sol	220,401	2,653	122,474	31,683
Polish zloty	-	30	21	(178)
Other currencies	-	2	-	144
Total	**411,518**	**10,362**	**249,430**	**74,695**

2021	EUR thousand			
Currency	Revenue	Other operating income	Cost of sales	Other operating expenses
Norwegian krone	33,475	1,350	29,616	7,312
Algerian dinar	-	322	(614)	(379)
Kuwaiti dinar	-	266	(3,974)	3,063
Australian dollar	-	-	4	591
US dollar	19,349	75	15,708	9,247
Pound Sterling	1,646	192	6,370	5,525
Turkish lira	-	74	88	492
Argentine peso	-	-	1	49
Chilean peso	183,240	2,941	136,588	12,907
Colombian peso	26,657	1,007	14,086	5,460
Mexican peso	-	5,787	237	2,707
Uruguayan peso	-	-	-	40
Qatari riyal	-	-	(1,412)	9,248
Peruvian sol	72,474	21,036	31,459	15,260
Polish zloty	-	12	329	210
Other currencies	36	9	7	200
Total	**336,877**	**33,071**	**228,493**	**71,932**

Foreign currency balances at 31 December 2022 and 2021 by currency and the main liability items in the statement of financial position, translated to euros at the closing exchange rate, are as follows:

	EUR thousand					
	2022			2021		
Currency	Trade payables	Other non-current liabilities	Other current liabilities	Trade payables	Other non-current liabilities	Other current liabilities
Norwegian krone	24,460	-	1,513	24,637	-	449
Algerian dinar	5,012	-	1,784	5,702	-	1,666
Kuwaiti dinar	27,498	-	55	36,723	-	14
Australian dollar	683	-	3	723	-	3
US dollar	67,154	12,451	25,544	63,629	3,661	5,295
Vietnamese dong	1,417	-	138	1,379	-	120
Pound Sterling	4,197	-	-	2,703	-	17
Turkish lira	45	-	102	19	-	385
Argentine peso	80	-	60	151	-	44
Chilean peso	39,176	195	51,854	63,251	-	41,565
Colombian peso	13,814	-	3,480	18,581	-	3,985
Mexican peso	3,393	-	104,846	4,260	-	88,246
Uruguayan peso	8	-	35	18	-	39
Saudi Arabian riyal	-	-	4,926	-	-	3,606
Qatari riyal	46,651	-	-	39,468	-	2
Peruvian sol	156,392	-	8,685	101,235	-	4,714
Polish zloty	171	-	5	227	-	8
Other currencies	83	-	-	73	-	-
Total	**390,234**	**12,646**	**203,030**	**362,779**	**3,661**	**150,158**

Foreign currency receivables at 31 December 2022 and 2021 by currency and the main asset items in the statement of financial position, translated to euros at the closing exchange rate, are as follows:

	EUR thousand					
	2022			2021		
Currency	Non-current financial assets	Current financial assets	Trade and other receivables	Non-current financial assets	Current financial assets	Trade and other receivables
Norwegian krone	154	-	7,656	191	23	6,679
Algerian dinar	39	-	12,074	36	-	11,149
Kuwaiti dinar	25	4	5,088	22	4	4,330
Australian dollar	-	-	5,812	-	-	5,832
US dollar	182	-	25,797	304	623	29,805
Vietnamese dong	-	-	896	-	3	1,190
Pound Sterling	-	-	807	-	706	7,149
Turkish lira	72	28	184	95	16	1,187
Argentine peso	-	37	(672)	-	-	(129)
Chilean peso	4,705	-	36,480	-	114	57,900
Colombian peso	4,053	-	31,387	-	188	16,845
Uruguayan peso	-	-	(735)	-	-	(633)
Mexican peso	-	-	1,807	-	-	2,288
Qatari riyal	3,646	-	20,114	3,431	-	19,258
Peruvian sol	-	43	125,874	-	153	43,805
Polish zloty	-	-	276	-	6	218
Other currencies	11	-	-	10	-	-
Total	**12,887**	**112**	**272,845**	**4,089**	**1,836**	**206,873**

In the sensitivity analysis of foreign currency risk of financial instruments for the main currencies, a 10% increase in the foreign currency/euro exchange rate with respect to the rates applicable at 31 December 2022 and 2021 was simulated. The potential net impact on profit or loss is as follows:

	EUR thousand	
(Expense) / income	Profit/(loss)	
Currency	2022	2021
Norwegian krone	(1,362)	(1,364)
Algerian dinar	399	286
Kuwaiti dinar	(1,683)	(2,429)
US dollar	(5,938)	(3,139)
Argentine peso	(58)	(24)
Chilean peso	(3,753)	(3,510)
Colombian peso	1,361	(415)
Mexican peso	(7,982)	(6,766)
Saudi Arabian riyal	(369)	(270)
Qatari riyal	(1,717)	(1,259)
Peruvian sol	(2,937)	(4,649)
Total	**(24,039)**	**(23,539)**

Had the sensitivity analysis included the simulation of a 10% decrease in the foreign currency/euro exchange rate with respect to the rates in force at 31 December 2022 and 2021, the net impact on profit or loss would be as follows:

	EUR thousand	
(Expense) / income	Profit/(loss)	
Currency	2022	2021
Norwegian krone	1,238	1,240
Algerian dinar	(363)	(260)
Kuwaiti dinar	1,530	2,208
US dollar	5,398	2,854
Argentine peso	53	22
Chilean peso	3,412	3,191
Colombian peso	(1,237)	377
Mexican peso	7,257	6,151
Saudi Arabian riyal	336	246
Qatari riyal	1,561	1,144
Peruvian sol	2,670	4,227
Total	**21,855**	**21,400**

17.8 Backlog

The Company's backlog at 31 December 2022 stood at EUR 1,684,196 thousand (2021: EUR 1,501,411 thousand).

The breakdown by activity and geographical market is as follows:

	EUR thousand	
Business activity	2022	2021
Civil engineering work in Spain	**349,465**	**277,470**
Roads	116,120	93,507
Hydraulic works	73,700	71,024
Railways	131,953	104,738
Maritime	5,239	2,884
Other civil engineering work	22,453	5,317
Building construction in Spain	**346,275**	**271,933**
Residential	32,182	6,691
Other buildings	314,093	265,242
Other	**-**	**-**
Total construction in Spain	**695,740**	**549,403**
Civil engineering work abroad	**659,321**	**639,692**
Roads	153,647	135,970
Hydraulic works	355,412	358,622
Railways	150,212	116,390
Maritime	-	28,710
Other civil engineering work	50	-
Building construction abroad	**329,135**	**312,316**
Other buildings	329,135	312,316
Total construction abroad	**988,456**	**952,008**
Total backlog	**1,684,196**	**1,501,411**

Geographical area	EUR thousand 2022	2021
Spain:		
Spain	695,740	549,403
Total Spain	**695,740**	**549,403**
Abroad:		
Chile	367,194	346,279
Peru	394,625	432,436
ROW	226,637	173,293
Total abroad	**988,456**	**952,008**
Total backlog	**1,684,196**	**1,501,411**

Of the total backlog at 31 December 2022, EUR 1,156,504 thousand related to direct construction work and EUR 527,692 thousand to UTEs (2021: EUR 1,108,228 thousand and EUR 393,183 thousand, respectively).

Also at 31 December 2022, EUR 1,122,327 thousand related to public sector work and EUR 561,869 thousand to private sector works (2021: EUR 1,074,921 thousand and EUR 426,490 thousand, respectively).

18. RELATED PARTY TRANSACTIONS AND BALANCES

18.1 Transactions with group companies and associates

The detail of transactions with Group companies in 2022 and 2021 is as follows:

	EUR thousand 2022	2021
Revenue	4,857	-
Other operating income	22,892	22,341
Finance income	8,832	6,783
Dividends received	2,747	15,978
Sales of non-current assets	46	19
Cost of sales	2,116	1,932
Other operating expenses	6,867	7,064
Finance costs	73,775	40,395
Purchases of non-current assets	193	313
Purchases of financial assets	-	2

Dividends received by group companies:

Company	EUR thousand 2022	2021
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	2,747	-
OHL Arabia, LLC	-	14,590
Mantohledo, S.A.	-	1,388
Total	**2,747**	**15,978**

The detail of transactions with associates in 2022 and 2021 is as follows:

	EUR thousand	
	2022	2021
Revenue	687	8,829
Other operating income	1,209	179
Finance income	227	313
Dividends received	3,396	-
Sales of non-current assets	1	-
Other operating expenses	30	59

18.2 Related party transactions and balances

The detail of related party transactions in 2022 and 2021 is as follows:

	EUR thousand			
	2022	% of total	2021	% of total
Revenue and expenses				
Revenue	(504)	(0.07)	15,687	2.64
Other operating income	11	0.01	-	-
External services	657	0.44	2,554	1.93

	EUR thousand	
Other transactions	2022	2021
Repayment or cancellation of loans granted	17,026	53,769
Purchases of non-current assets	102	404
Guarantees provided	277	-

In addition, at 31 December 2022 the Company had provided guarantees to related parties amounting to EUR 905 thousand.

The breakdown of these related party transactions in 2022 is as follows:

Taxpayer or employer identification number of	Name or company name of the related party	Item	EUR thousand
B83962225	Espacio Living Homes, S.L.U.	Revenue	(504)
B83962225	Espacio Living Homes, S.L.U.	Other operating income	11
A80400351	Espacio Information Technology, S.A.U.	Management or partnership agreements	557
JSE110223ATO	Jetflight Services, S.A. de C.V.	Other operating expenses	59
B83393066	Energía VM Gestión de Energía, S.L.U.	Other operating expenses	41
A80400351	Espacio Information Technology, S.A.U.	Acquisition of long-term assets	102
A82500257	Grupo Villar Mir, S.A.U.	Repayment or cancellation of loans granted	17,026
B83962225	Espacio Living Homes, S.L.U.	Guarantees provided	277

These transactions, under a contractual arrangement, were carried out at arm's length.

Nominal related party balances at 31 December 2022 and 2021 are as follows:

	EUR thousand			
	2022	% of total	2021	% of total
Assets:				
Trade receivables	972	0.31	2,225	0.98
Other receivables	14	0.06	-	-
Loans to third parties (*)	28,806	91.39	45,831	71.14
Liabilities:				
Trade payables	166	0.07	1,042	0.20
Other current financial liabilities	-	-	11	0.14

(*) see Note 9.2.

18.3 Remuneration of directors and senior executives and conflicts of interest

The remuneration of members of the Board of Directors is governed by Article 24 of the Bylaws and by the Director Remuneration Policy approved by the shareholders at the General Meeting of 02 June 2022, for that year and the three following years, in accordance with Article 529 *novodecies* of the Spanish Corporate Enterprises Act. The policy established maximum annual remuneration for non-executive directors for the discharge of their duties as directors of one million five hundred and fifty thousand euros **(EUR 1,550,000)**, apportioned on the basis adopted by the Board itself, as set out in the Policy. There are no variable remuneration components for non-executive directors.

In 2022, taking this into account and the current composition of the Board and Board committees, the annual remuneration of non-executive directors for discharging their general duties as directors amounted to **EUR 1,295 thousand**. In 2022, as in prior years, there was no kind of pension scheme for non-executive directors. This fixed remuneration for their directorships 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.

On the same date, the Board of Directors, in accordance with article 541 of the Corporate Enterprises Act, has authorised for issue the Annual Report on Director Remuneration, with an itemised breakdown of all components accrued in 2022 by each director. Following is an itemised detail of the remuneration earned by each director in their capacity as such in 2022, excluding the remuneration accrued for executive duties, which is disclosed later:

Director	Attendance fees (EUR thousand)
Luis Fernando Martín Amodio Herrera *(non-executive proprietary)*	130
Julio Mauricio Martín Amodio Herrera *(non-executive proprietary)*	130
Luis Fernando Amodio Giombini *(non-executive proprietary)*	130
Juan Villar-Mir de Fuentes *(non-executive proprietary)*	130
Carmen de Andrés Conde *(non-executive independent)*	155
César Cañedo-Argüelles Torrejón *(non-executive independent)*	130
Francisco García Martín *(non-executive independent)*	185
Juan Antonio Santamera Sánchez *(non-executive independent)*	130
Reyes Calderón Cuadrado *(non-executive independent)*	175
Total	**1,295**

Additionally, the components earned by non-executive directors include travel expenses incurred by those who are not resident in Madrid for the discharge of their duties on the Board of Directors, which in 2022 amounted to **EUR 48 thousand** (2021: EUR 155 thousand).

In 2022, the executive director accrued total remuneration for his executive duties of **EUR 2,103 thousand** (2021: EUR 2,613 thousand). In 2022, he was paid EUR 21 thousand for other items (2021: EUR 28 thousand), of which **EUR 11 thousand** were for insurance premiums. No contributions were made to the pension scheme in either 2022 or 2021.

No advances or loans were granted to members of the Board of Directors.

The members of the Board of Directors and the senior executives are insured by a third-party liability insurance policy, which cost EUR 359 thousand in 2022.

Remuneration of senior executives

Remuneration accrued by the Company's senior executives in 2022, excluding those who are also members of the Board of Directors (see above), amounted to **EUR 9,030 thousand** (2021: EUR 14,401 thousand), of which **EUR 3,081 thousand** was variable remuneration (2021: EUR 5,452 thousand).

In addition, in 2021 a remuneration scheme was set up for certain managers. Contributions to this scheme in 2022 amounted to EUR 1,295 thousand (2021: EUR 863 thousand) (see Note 17.3).

Conflicts of interest

At 31 December 2022, none of the directors had notified the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have had with the Company in 2022.

19. Environmental disclosures

In 2022, the Company incurred expenses from environmental activities amounting to EUR 565 thousand (2021: EUR 878 thousand). At 31 December 2022 and 2021, the Company did not have any environmental assets on its statement of financial position.

20. OTHER DISCLOSURES

20.1 Employees

The average number of employees in 2022 and 2021 by employee category is as follows:

Employee category	Average number of employees 2022	2021
Senior management	7	7
Managers	37	33
Middle managers	298	413
Other line personnel	1,406	1,091
Clerical staff	234	189
Manual workers	2,172	1,872
Total	**4,154**	**3,605**
Permanent employees	1,455	1,729
Temporary employees	2,699	1,876
Total	**4,154**	**3,605**

The average number of employees corresponding to UTEs in 2022 was 1,671 (2021: 774).

The average number of employees with a disability of a severity equal to or greater than 33% in 2022 and 2021 by category is as follows:

Employee category	2022	2021
Middle managers	4	2
Other line personnel	7	3
Clerical staff	12	6
Manual workers	3	9
Total	**26**	**20**

The average number of employees at UTEs with a disability of a severity equal to or greater than 33% in 2022 was seven (2021: six).

The number of employees at year-end 2022 and 2021 by gender and professional category and gender is as follows:

	Number of employees at year-end					
	31/12/2022			31/12/2021		
Professional category	Men	Women	Total	Men	Women	Total
Senior management	7	-	7	7	-	7
Managers	36	3	39	33	4	37
Middle managers	270	36	306	253	67	320
Other line personnel	1,110	366	1,476	1,048	306	1,354
Clerical staff	140	135	275	92	186	278
Manual workers	2,377	185	2,562	1,834	43	1,877
Total	**3,940**	**725**	**4,665**	**3,267**	**606**	**3,873**

The number of employees with temporary contracts at UTEs at 31 December 2022 was 1,671 (2021: 950).

The Board of Directors is composed of seven men and two women.

20.2 Audit fees

Fees for audit or other services provided by the Company's principal auditor, Ernst & Young, S.L., or by other companies related to it or other auditors, were as follows:

	EUR thousand					
	Principal auditor		Other auditors		Total	
	2022	2021	2022	2021	2022	2021
Audit of financial statements	453	436	41	16	494	452
Other assurance services	182	237	50	151	232	388
Total audit and related services	**635**	**673**	**91**	**167**	**726**	**840**
Tax advisory services	16	37	24	3	40	40
Other services	28	39	11	4	39	43
Total professional services	**44**	**76**	**35**	**7**	**79**	**83**
Total	**679**	**749**	**126**	**174**	**805**	**923**

Audit of financial statements includes exclusively services by the statutory auditor.

Other assurance services includes the fees for professional services that the auditor provides as such, either due to legal requirements (e.g. internal control review reports and limited reviews of periodic public information of listed companies) and other services in which some kind of assurance is expressed, but which are not regulated by any mandatory legislation (e.g. one-off limited reviews, special reports on security placement processes, agreed-upon procedures reports, covenant reports, etc.

Tax advisory services include fees for services provided regarding tax advice in all its forms.

Other services include fees for other professional services not included in the preceding line items and that are more closely related to a consultancy service or an independent third-party service.

20.3 Statement of cash flows

The Company's statement of cash flows was prepared as explained in Note 4.18. The key highlights for each of the main sections are as follows:

<u>Operating activities</u>

Net cash flows used in operating activities in 2022 amounted to EUR 21,388 thousand, and featured:

“Profit/(loss) before tax” for 2022 was a loss of EUR 55,923 thousand.

The breakdown of “Other adjustments to profit or loss” is as follows:

	EUR thousand	
	2022	2021
Change in provisions	(31,058)	(5,184)
Financial profit/(loss)	81,093	(46,772)
Impairment and gains/(losses) on disposal of non-current assets	(1,724)	(1,586)
Government grants	(206)	(397)
Total	**48,105**	**(53,939)**

Investing activities

Net cash flows from investing activities in 2022 amounted to EUR 122,514 thousand.

Payments for investments amounted to EUR 30,121 thousand and related to investments in property, plant and equipment and investments in group companies, mainly Sociedad Concesionaria Hospitales Red Biobio, S.A. in Chile.

Proceeds from sale of investments amounted to EUR 152,635 thousand and related primarily to the reduction in the shareholding in OHL Holding, S.à.r.l for EUR 119,376 thousand.

Financing activities

Cash flows used in financing activities in 2022 amounted to EUR 131,657 thousand arising mainly from the full cancellation of the bridge financing agreement (ICO), which amounted to EUR 54,502 thousand at 31 December 2021, and the partial repayment, of EUR 43,067 thousand, of the loan with OHL Operaciones, S.A.U. for the early redemption of the notes by that company.

The balance of cash and cash equivalents at year-end stood at EUR 91,265 thousand, related mainly to bank balances.

21. EVENTS AFTER THE REPORTING PERIOD

The most significant events occurring after 31 December 2022 were:

- On 18 January 2023, the Company disclosed to the market 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 was going to apply the funds received by its subsidiary Obrascón Huarte Laín, Desarrollos, S.A.U. (OHLD). from payment to the latter by 57 Whitehall Investments, S.à.r.l., a Hinduja Group subsidiary, of the deferred purchase price for its 49% shareholding in the Old War Office projects on partial redemption of the notes.

  In this respect, OHL Operaciones, S.A.U., launched a partial tender offer for a maximum principal amount of EUR 32,576 thousand (the Maximum Tender Amount. equal to a nominal amount of EUR 31,991 thousand) plus accrued interest payable 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"), for their subsequent redemption (the Tender Offer).

- On 17 February 2023, in relation to the previous communication, OHLA disclosed the following to the market regarding the partial Tender Offer:

  (i) Offers received exceeded the Maximum Tender Amount.

  (ii) Therefore, it accepted tenders received up to the Maximum Tender Amount, having applied a scaling factor of 8.92%, adjusted as explained in the tender offer announcement.

  The total amount paid to noteholders was EUR 33,514 thousand, of which EUR 32,576 thousand was principal of the notes and EUR 938 thousand accrued interest payable (including PIK interest). For the same amounts, the Company repaid partially the nominal amount of the "mirror" loan with OHL Operaciones, S.A.U. and paid the related interest.

22. ADDITIONAL NOTE FOR ENGLISH TRASLATION

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Consequently, certain accounting practices applied by the Company may not conform to generally accepted principles in other countries.

OBRASCÓN HUARTE LAIN, S.A.
APPENDIX I
UTEs

EUR thousand

Name of UTE	% interest	Revenue of UTE in 2022	Order intake of UTE
5º TRAMO CYII	75,00	29	2.150
ALGECIRAS PORT SOUTH ACCESS	50,00	2.114	34.655
ACOMETIDAS	20,00	40	391
ACONDICIONAMIENTO ESCANER Y MEGAPORT	50,00	1.730	3.391
ANGIOZAR	40,00	32.113	119.995
AVE NAVALMORAL	75,00	191	58.428
BLOQUE AEROPUERTO BILBAO	50,00	8.112	14.289
COLECTOR LA RAZA II	70,00	1.064	7.058
CONSERESTE	20,00	2.774	5.889
CONSERVACION A-1 MADRID	20,00	660	63.255
CONSORCIO HOSPITALARIO OHL-HV	50,00	66.049	130.000
CONSORCIO LÍNEA PANAMA NORTE	51,00	42.858	151.206
CONSORCIO METROPOLITANO NORTE	99,00	52.542	90.909
CONSORCIO MUNA	25,00	213	83.793
CONSORCIO PRIMAVERA	50,00	142	316
CONSORCIO SABANA NORTE	50,00	12.595	327.846
CONSORCIO SANEAM. HUARMEY	48,60	26.635	30.453
CONSORCIO VIAL DEL SUR	50,00	3.374	95.400
CONTRA INCENDIOS DARSENA N	35,00	792	2.146
CONVENTO DE SAN ANDRÉS	60,00	195	3.395
CUBIERTA PASAIA	50,00	32	2.363
DEMANIALES SAN BLAS-CANILLEJAS EDIF.L-3	50,00	1.314	3.025
DEMANIALES SAN BLAS-CANILLEJAS I.D. L-2	50,00	620	2.306
EDAR DE SEGOVIA	50,00	9	21.923
EDAR LAGARES-VIGO	50,00	10	69.372
EDIF.FASE I HOSP.JOAN XXIII	55,00	1.495	5.775
ERTZAINTZA GETXO	25,00	4.099	6.524
ESTACIONES LINEA 9 BARCELONA	17,00	6.495	215.443
ESTRUCTURAS MADRID 1	50,00	-	17.822
HOSPITAL DE CUENCA	50,00	24.595	106.283
HOSPITAL DE VILADECANS	33,34	10.478	19.717
IFA	55,50	-	19.007
IFEVI	50,00	3.757	6.886
INTERSECCIONES FERROVIARIAS	50,00	34	398
LA RINCONADA	70,00	1.953	17.949
LINEA 9 BARCELONA	17,00	13.346	595.665
MANTEN.INFRAESTR.VIALS BCN	33,34	1.599	8.006
MARMARAY. TURKEY	70,00	30.236	1.157.143
MEL9	36,00	19.421	197.118
NET ZARAGOZA	20,00	116	342
NUEVA ESTACION L5	55,00	1.018	14.041
OBRIM CARRERS	33,34	1.472	2.397
OHL-PECSA MUSEO SOROLLA	60,00	504	5.493
PARKING VIP NATURA	20,00	148	576
PISTA 12L-30R	50,00	364	995
PLAZA SALAMERO	65,00	1.251	3.135
PRESA CHARCO REDONDO	70,00	278	2.460
PRESA CONDE DE GUADALHORCE	70,00	559	901
PRESA CUEVAS DEL ALMANZORA	70,00	144	5.249
PRESA DE GUADALCACIN II	70,00	204	1.125
PRESA DE VIÑUELA II	70,00	250	1.322
PUERTO CALDERETA	60,00	19.463	88.006
RED FERROVIARIA DÁRSENA SUR	35,00	-	5.644
REMODELACIÓN 4 ESTACIONES VALLÉS	65,00	2.524	11.990
RENOVACIÓN LOTE 4	50,00	3.323	45.932
REORD. ACCESO S PTO ALGECIR	50,00	175	4.456
RUBIAN	70,00	4.421	5.897
VARIANTE BAEZA	62,00	-	33.791
VIAL T2	20,00	107	1.223
TOTAL		**410.036**	**3.932.665**

OBRASCÓN HUARTE LAIN, S.A.
APPENDIX II

Equity of Group companies

EUR thousand

COMPANY	Capital	Uncalled capital	Reserves	2022 profit/(loss)	Interim dividend	Total capital and reserves	Valuation adjustments	Government grants	Total equity	Profit participating loan	Total equity + profit participating loan	Dividends paid
9095063 Canada Inc.	-	-	-	-	-	-	-	-	-	-	-	-
Consorcio Aura - OHL, S.A.	165	(165)	-	-	-	-	-	-	-	-	-	-
Constructora e Inmobiliaria Huarte Ltda.	573	-	(623)	(477)	-	(527)	-	-	(527)	-	(527)	-
Empresa Constructora Huarte San José, Ltda.	18	(17)	177	6	-	184	-	-	184	-	184	-
Entorno 2000, S.A.	1.131	-	(1.272)	-	-	(141)	-	-	(141)	-	(141)	-
Mongas, S.A.	-	-	-	-	-	-	-	-	-	-	-	-
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	42.923	-	616.677	26.475	-	686.075	-	-	686.075	-	686.075	-
OHL Andina, S.A.	2.564	-	39.818	1.984	-	44.366	-	-	44.366	-	44.366	-
OHL Arabia LLC.	125	-	6.190	(2.401)	-	3.914	-	-	3.914	-	3.914	-
OHL Brasil, S.A.	229	-	(166)	-	-	63	-	-	63	-	63	-
OHL Construction Pacific PTY LTD	-	-	(8.442)	(5)	-	(8.447)	-	-	(8.447)	-	(8.447)	-
OHL Holding, S.à.r.l.	12	-	534.706	(34.518)	-	500.200	-	-	500.200	-	500.200	-
OHL Industrial Chile, S.A.	51.080	-	(30.142)	(842)	-	20.096	-	-	20.096	-	20.096	-
OHL Industrial, S.L.U.	47.694	-	(45.714)	(3.749)	-	(1.769)	-	-	(1.769)	41.000	39.231	-
OHL Infraestructuras S.A.S.	55	-	38	(524)	-	(431)	-	-	(431)	-	(431)	-
OHL Infraestructure Canada Inc.	-	-	-	-	-	-	-	-	-	-	-	-
OHL Uruguay, S.A.	-	-	(1.225)	(226)	-	(1.451)	-	-	(1.451)	-	(1.451)	-
Pacadar, S.A.U.	27.000	-	(52.729)	(7.402)	-	(33.131)	724	40	(32.367)	39.849	7.482	-
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	11.473	-	(280)	2.509	(1.622)	12.080	-	-	12.080	-	12.080	2.747
Sociedad Concesionaria Hospitales Red Biobio, S.A.	38.570	(24.244)		(152)		14.174	-	-	14.174	-	14.174	-
Tenedora de Participaciones Tecnológicas, S.A.U.	601	-	(41.850)	(460)	-	(41.709)	-	-	(41.709)	41.162	(547)	-
Vacua, S.A.	12.640	-	(12.121)	(1)	-	518	-	-	518	-	518	-

OBRASCÓN HUARTE LAIN, S.A.
APPENDIX III

Investments in Group companies

COMPANY	% ownership interest			EUR thousand						
	Direct	Indirect	Total	Cost at 31/12/2021	Additions	Disposals	Transfers	Cost at 31/12/2022	Impairment at 31/12/2022	Net cost at 31/12/2022
9095063 Canada Inc.	100,00	-	100,00	-	-	-	-	-	-	-
Consorcio Aura OHL, S.A.	65,00	-	65,00	101	6,00	-	-	107	-	107
Constructora e Inmobiliaria Huarte Ltda.	89,90	10,10	100,00	850	-	-	-	850	-	850
Empresa Constructora Huarte San José, Ltda.	95,00	5,00	100,00	17	-	-	-	17	-	17
Entorno 2000, S.A.	100,00	-	100,00	853	-	-	-	853	(853,00)	-
Mongas, S.A.	100,00	-	100,00	2.583	-	-	-	2.583	(2.583,00)	-
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	100,00	-	100,00	1.346.998	-	-	-	1.346.998	(636.420,00)	710.578
OHL Andina, S.A.	99,00	1,00	100,00	3.246	-	-	-	3.246	-	3.246
OHL Arabia LLC	95,00	5,00	100,00	100	-	-	-	100	-	100
OHL Brasil, S.A.	1,00	99,00	100,00	4	-	-	-	4	(3)	1
OHL Concesiones Argentina, S.A.	-	-	-	230	-	(230)	-	-	-	-
OHL Construction Pacific PTY LTD	100,00	-	100,00	-	-	-	-	-	-	-
OHL Holding, S.à.r.l.	100,00	-	100,00	629.745	24.397,00	(119.376)	-	534.766	-	534.766
OHL Industrial Chile, S.A.	0,01	99,99	100,00	1	-	-	-	1	-	1
OHL Industrial, S.L.U.	100,00	-	100,00	294.201	122.000,00	-	-	416.201	(410.816,00)	5.385
OHL Infraestructuras S.A.S.	1,00	99,00	100,00	2	-	-	-	2	-	2
OHL Infraestructure Canada Inc.	100,00	-	100,00	-	-	-	-	-	-	-
OHL Infrastructure Inc.	-	100,00	100,00	-	4.580	(4.580)	-	-	-	-
OHL Servicios-Ingesán, S.A.U.	-	100,00	100,00	1.172	-	(1.172,00)	-	-	-	-
OHL Uruguay, S.A.	100,00	-	100,00	130	-	-	-	130	(130,00)	-
Pacadar, S.A.U.	100,00	-	100,00	53.769	-	-	-	53.769	-	53.769
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	100,00	-	100,00	8.609	538	-	-	9.147	-	9.147
Sociedad Concesionaria Hospitales Red Biobio, S.A.	51,00	49,00	100,00	-	19.671	-	-	19.671	-	19.671
Tenedora de Participaciones Tecnológicas, S.A.U.	100,00	-	100,00	526	-	-	-	526	(526,00)	-
Vacua, S.A.	99,11	0,89	100,00	599	-	-	-	599	-	599
Total				**2.343.736**	**171.192**	**(125.358)**	**-**	**2.389.570**	**(1.051.331)**	**1.338.239**

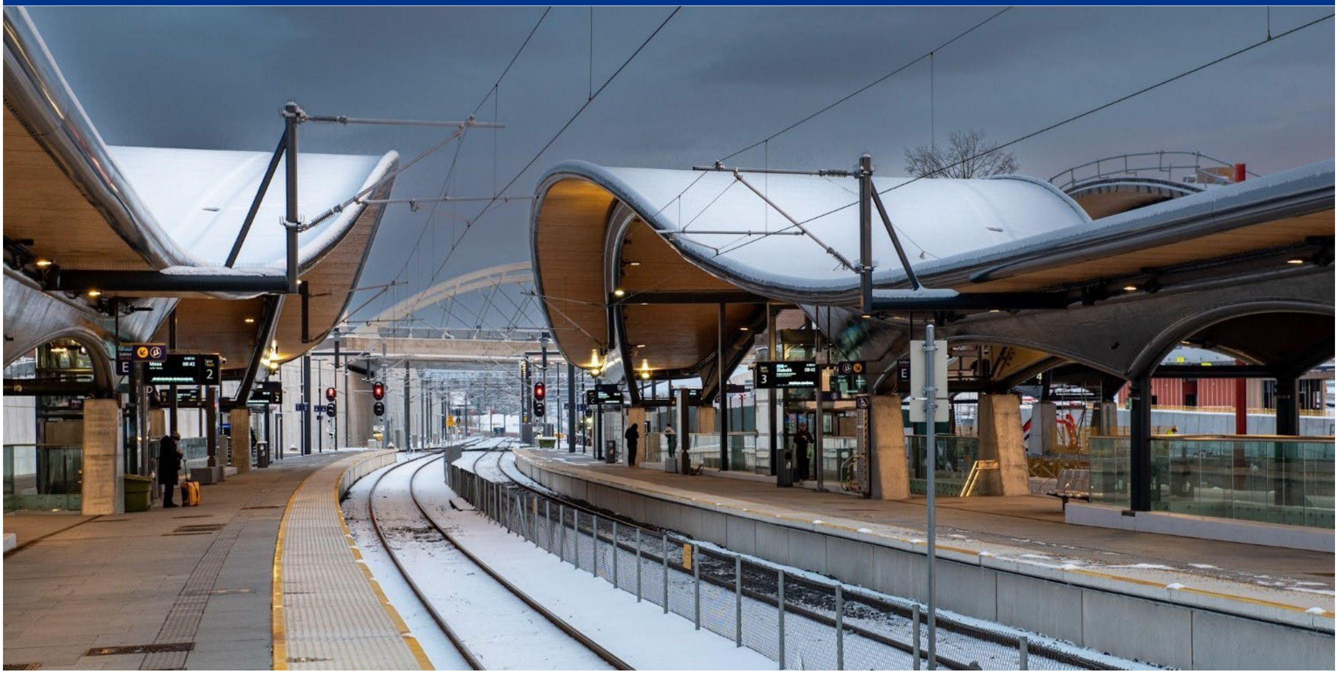
OBRASCÓN HUARTE LAIN, S.A.
APPENDIX IV
Investments in associates

COMPANY	% ownership interest: Direct	Indirect	Total	EUR thousand: Cost at 31/12/2021	Additions	Disposals	Transfers	Cost at 31/12/2022	Impairment at 31/12/2022	Net cost at 31/12/2022
Consorcio Español Alta Velocidad Meca Medina, S.A.	6,29	-	6,29	4	-	-	-	4	-	4
Consorcio Ruta 1, S.A.	10,00	-	10,00	161	-	-	-	161	(150)	11
Concesionaria Ruta Bogotá Norte S.A.S.	50,00	-	50,00	-	1	-	-	1	-	1
Constructora Vespucio Oriente, S.A.	50,00	-	50,00	5	1	-	-	6	-	6
E.M.V. Alcalá de Henares, S.A.	34,00	-	34,00	409	-	-	-	409	(409,00)	-
Nuevo Hospital de Burgos, S.A.	20,75	-	20,75	11.420	-	-	-	11.420	(8.462)	2.958
NYESA Valores Corporación, S.A.	0,60	-	0,60	-	-	-	-	-	-	-
Parking Niño Jesús-Retiro, S.A.	30,00	-	30,00	-	1.095	-	-	1.095	-	1.095
OHL Townlink JV Limited	50,00	-	50,00	-	-	-	-	-	-	-
H.Sacifyc, S.A.	49,00	-	49,00	-	-	-	-	-	-	-
Sociedad Mixta de Gestión y Promoción del Suelo, S.A.	1,20	-	1,20	9	-	-	-	9	-	9
Total				**12.008**	**1.097**	**-**	**-**	**13.105**	**(9.021)**	**4.084**

APPENDIX V

Identification of companies included in investments in Group companies

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Construction		
Consorcio Aura OHL, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
Constructora e Inmobiliaria Huarte, Ltda.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
Empresa Constructora Huarte San José, Ltda.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	Pº de la Castellana nº 259 D (28046 Madrid)	Holding company
OHL Andina, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
OHL Arabia LLC	6th Floor Al Andalus Crown Tower, Office 606	Construction and maintenance
OHL Brasil, S.A.	Rua Tabapuã, ,1.123 - 16º Andar. Brazil	Construction
OHL Construction Pacific PTY LTD	Level 3, 349 Coronation Drive. Milton (Qld) 4064. Australia	Construction
OHL Infraestructuras S.A.S.	Cra 17 No. 93 -09 Piso 8 Bogotá, Colombia	Construction
OHL Uruguay, S.A.	C/ Rio Negro, 1354, piso 3, 11105 Montevideo, Uruguay	Construction
Pacadar, S.A.U.	Pº de la Castellana nº 259 D (28046 Madrid)	Construction
Vacua, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
Industrial		
OHL Industrial Chile, S.A.	C/ Rosario Norte 407, Oficina 1203. Santiago de Chile. Chile	Engineering works, technical advisory services, water treatment and distribution
OHL Industrial, S.L.U.	Pº de la Castellana nº 259 D (28046 Madrid)	Industrial engineering and maintenance at industrial plants
Other		
9095063 Canada Inc.	C/ Villa Marie, 37 Th Floor, H3B 3P4 Montreal, Canada	Financial studies
Entorno 2000, S.A.	Pº de la Castellana nº 259 D (28046 Madrid)	Other
Mongas, S.A.	Rb de Cataluña, 20 (Barcelona)	Other
OHL Holding, S.à.r.l.	14 Rue Edward Steichen. L-2540 Luxembourg	Holding company
OHL Infraestructure Canada Inc.	C/ 100 King Street West Suite 1600, M5X 1G5 Toronto	Financial studies
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Av Manuel Rodriguez Sur 2281, Santiago de Chile. Chile	Concession and operation
Sociedad Concesionaria Hospitales Red Biobio, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Concession, construction and operation
Tenedora de Participaciones Tecnológicas, S.A.U.	Pº de la Castellana nº 259 D (28046 Madrid)	New technologies



OBRASCÓN HUARTE LAIN, S.A.

2022 Separate Management Report

Contents

OBRASCÓN HUARTE LAIN, S.A.

SEPARATE MANAGEMENT REPORT
2022

1.- ECONOMIC OVERVIEW

2022 was a year marked by the extremely adverse social and economic impact of the war in Ukraine. Its direct and indirect impacts on the world economy, not to mention other factors that arose (e.g. inflation, energy prices, supply chain disruptions, lock-downs, interest-rate hikes, difficulties for companies to tap either primary and secondary markets), also made it a year heavily shaped by global political and economic tension, with two differentiated blocs (i.e. west and east) facing off. All of this undermined the until-now dominant globalised economy.

Looking strictly at the geographies affecting OHLA Group, highlights included the political changes in Peru, the tension in Chile and even the elections in the US. This widespread political tension, coupled with growing social unrest, triggered market volatility and caused country risk to increase at the same time.

One of the most drastic steps taken to curb inflation was the decision to curtail the lax fiscal policy prevailing until then. In 2022, several central banks (including the Federal Reserve and the European Central Bank) began tightening their benchmark rates, to 4.5% in the US (the Fed) and 2.5% in Europe (the ECB).

Moreover, a number of institutions, including central banks in Europe, Japan and England, revised their economic growth forecasts several times during the year. The International Monetary Fund, in its latest outlook update ("World Economic Outlook" or "WEO" of October 2022), said its forecasts for 2022 project global growth at around 3.2%. It projects growth of around 1.6% in the United States, around 3.1% in the euro area and, lastly, around 3.7% in the emerging market and developing economy group.

The Spanish economy looks set to show GDP growth of 4.7% for 2022 (according to the Spanish national statistics institute, Instituto Nacional de Estadística or "INE" in its preliminary 4Q 2022 report). This marks a slowdown from previous years, but also shows that Spain's economy is relatively stronger, outperforming estimates issued during the year and making it one of the fastest growing in the euro area.

2.- OUTLOOK

Restrictive central bank fiscal policies through interest-rate hikes aimed at containing the excesses of previous years, which are likely to continue in 2023 but less aggressively than in 2022, and country-specific measures taken individually to stimulate growth and support companies bode well for an economic ‘adjustment’ in 2023. This economic ‘slowdown’ or ‘adjustment’ is an attempt to control spending, contain inflation and keep energy prices from rising. On the bright side, China just announced that it was opening back up its economy and ending the Covid-related restrictions. This could boost trade and help the weakened global economy, although it is still too early to assess the impact.

The World Bank has revised its 2023 growth forecasts. It expects world GDP to slow and is expecting a contraction of 1.3% in 2023, before recovering in 2024 and showing healthy growth in 2025. Meanwhile, forecasts of international agencies and financial institutions compiled by Bloomberg for 2023 estimate that the US will see GDP growth of around 0.4%, that Europe will fall into recession and that Latin America will grow slightly, by 1%. Moreover, all expert panels say that, depending on how things unfold in 2023, there are great chances of dipping into recession at some point during the year.

Against a backdrop of global slowdown in areas where OHLA Group has operations, the economic policies already approved, such as Next Generation EU funds for European Union recovery, the US infrastructure plan or even investment backed by public bodies (e.g. CESCE, ICO), to name a few, will be crucial for the Group’s ability to deliver its business plan. Historically, the infrastructure and construction sectors have been two key drivers of world GDP and two key sectors supporting economic recovery.

All this indicates that the next two years will be ones of economic ‘adjustment’, with recession on the horizon for some economies. Faced with this situation, OHLA Group boasts a robust structure, a strategy that has been in place since 2018 and a strong and diversified geographical mix that will enable it to deal with the uncertainties, as it showed it can do during the turbulent years we have just experienced.

3.- NEAR-TERM OUTLOOK

OHLA Group continues to deliver the targets of the business plan it embarked on in 2018. Since then, it has not only deleveraged, improved its credit profile and reduced risk, on the operational front it achieved: sales of over EUR 3,000 million, EBITDA of over EUR 100 million and a construction EBITDA margin of 4%, greater efficiency in overheads and a sharp reduction in seasonal cash consumption, both during the year and at the end of the year. And this came despite the challenging macroeconomic, social and political landscapes of the regions to which the Group is exposed.

OHLA Group ended 2022 ranked among the world's 50 largest construction companies and one of the top 10 largest builders in the United States (ENR ranking). It set a new record for total backlog in 2022, topping the EUR 7,000 million mark for the first time ever, partly due to the good performance of short-term order intake during the year, with projects (new contract wins and extensions) totalling over EUR 4,000 million. This enabled it to replace the projects that entered into production during the year, with a book-to-bill ratio through September of 1.3x. Also, during the year, OHLA Group reiterated its commitment to resuming its concession business, signing three new concessions in its footprint markets: Acceso Norte 2 (North 2 Access) in Colombia, Hospital del Niño Jesus in Spain and Instituto Nacional del Cáncer (the National Cancer Institute) in Chile. To conclude on the backlog, particularly noteworthy is the P3 Purple Line Light Rail project in Maryland, USA, signed in a consortium with ACS (40% interest in the JV) for project worth a total of EUR 2,210 million. All this is a testament to the pick-up in activity at OHLA Group, with growth in the backlog shoring up OHLA's future business (e.g. the short-term backlog at September represented 25.5 months of sales).

On just the financial front, 2022 also featured an upgrade by Moody's to the Group's corporate family rating to B3, positive outlook, thereby enhancing the Group's risk profile. Gross financial debt decreased by EUR 112.1 million, improving the Group's total leverage ratio from over 11x in 2019 to 4.0x currently (pro-forma after the latest notes repurchase carried out in the first few months of 2023 and already disclosed to the market in 2022).

Looking ahead of 2023, after analysing initial data from economic expert panels, the year is likely to be one of 'adjustment' or correction on the macroeconomic front and, depending on how the economy performs throughout the year, the chances of entering into recession at some point during the year are not all that great. In a scenario of global slowdown, measures already taken in most of our operating markets (e.g. Next Generation EU funds, US infrastructure plan) will play a big role and help the Group to execute its business plan.

OHLA Group's growth is underpinned by: good governance, transparency and sustainability. Sustainability here is understood as efforts to achieve : economic, social and environmental sustainability, helping to improve social welfare in all geographies where have operations and contributing to their progress. OHLA Group takes an active part in initiatives designed to flight climate change and has also implemented approaches to enhance energy efficiency, the circular economy and gear efforts clearly towards innovation. All the while, it will continue to keep a close eye on internal control and performance by committees in reviewing the backlog and complying strictly with best practices in transparency, communication and compliance.

Historically, the infrastructure and construction sectors have been two key drivers of world GDP growth and during down markets that have proven to be two key sectors supporting economic recovery. Faced with economic 'adjustment' in 2023, OHLA Group boasts: a robust structure, a strategy put in place 2018 that has proven to be well aimed, and a strong and diversified geographical mix. This should enable it to deal with the uncertainties and risks as they arise, just like it showed it could do during the turbulent years of the past (e.g. Covid-19 pandemic effects, supply chain bottlenecks, soaring commodity prices, inflation, dire consequences of the war in Ukraine, volatility).

4.- COMPANY PERFORMANCE

Revenue in 2022 totalled EUR 738,393 thousand, of which 68.25% related to direct construction work and the remaining 31.75% to work executed by temporary business associations (UTEs).

The breakdown by type of activity was as follows:

	EUR thousand				
Business activity	2022	%	2021	%	% change
Construction in Spain	305,710	41.4	218,048	36.7	4.7
Construction abroad	432,683	58.6	375,773	63.3	(4.7)
Total sales	**738,393**	**100.0**	**593,821**	**100.0**	**24**

Revenue in 2022 from the public sector accounted for 64.8% of the total, with the remaining 35.2% from the private sector.

Operating profit for the year was EUR 25,170 miles.

Loss after tax amounted to EUR 66,079 thousand.

Share capital at year-end stood at EUR 147,781 thousand, represented by 591,124,583 fully subscribed and paid bearer shares of EUR 0.25 par value each.

Equity at year-end amounted to EUR 780,630 thousand.

The short-term **backlog** at 31 December 2022 stood at EUR 1,684,196 thousand, equivalent to 27.4 months of activity. International projects accounted for a large share of the backlog, at 58.7% of the total.

The breakdown by type of activity is as follows:

	EUR thousand				
Business activity	2022	%	2021	%	% change
Construction in Spain	695,740	41.3	549,403	36.6	26.6
Construction abroad	988,456	58.7	952,008	63.4	3.8
Total backlog	**1,684,196**	**100.0**	**1,501,411**	**100.0**	**12.2**

Of the backlog, 68.7% was direct construction work and 31.3% was work to be executed by UTEs.

The Company had an average of 4,154 employees in 2022, with a 35%/65% split between permanent and temporary employees.

Disclosures on the average payment period, ratios of transactions paid and transactions outstanding as a 31 December 2022 and 2021 and the monetary value of invoices paid within the legally stipulated deadline and the percentages these represent of total invoices and the monetary value of payments to suppliers as at 31 December 2022 and 2021:

	Days	
	2022	2021
Average supplier payment period	72	73
Ratio of transactions paid	75	75
Ratio of transactions outstanding	60	62

	EUR thousand	
	2022	2021
Total payments made	278,287	234,879
Total payments outstanding	49,764	39,953

Invoices paid within the legally stipulated deadline:	2022	2021
Monetary value (EUR thousand)	64,501	71,798
Number of invoices	17,320	16,304
Monetary value/total	23 %	31 %
Number of invoices/total	40 %	34 %

The Company is taking measures to comply with the ratio of outstanding transactions, which exceeds the statutory limit, but not significantly.

In addition to the above regarding its performance, the Company, as head of OHLA Group, prepares the disclosures required by Royal Decree-Law 18/2017, of 24 November, relating to non-financial and diversity information. It includes the non-financial statement in the consolidated management report, published together with OHLA Group's consolidated financial statements, which were authorised for issue by the Board of Directors on the same date and submitted for approval by shareholders at the Annual General Meeting.

5.- TREASURY SHARES

At year-end 2022 the Company held 738,857 treasury shares worth EUR 341 thousand.

The changes in treasury shares in 2022 and 2021 were as follows:

	No. of shares	EUR thousand
Balance at 31 December 2020	**600,867**	**406**
Purchases	11,906,100	8,327
Sales	(11,965,671)	(8,229)
Balance at 31 December 2021	**541296**	**504**
Purchases	24,289,551	17,215
Sales	(24,091,990)	(17,378)
Balance at 31 December 2022	**738,857**	**341**

6.- DEVELOPMENT

The Group did not undertake any investments in development projects and incurred expenditure amounting to EUR 886 thousand in 2022. In the statement of financial position as at 31 December 2022, the Company had capitalised EUR 18,457 thousand of development expenditure related to 34 research and development projects included in "Intangible assets - Development", the full amount of which was amortised.

7.- MAIN RISKS AND UNCERTAINTIES

OHL has a risk control and management policy approved by the Board of Directors aimed at implementing a reliable risk management system, maintaining this system and using it as a management tool in all decision-making.

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

ii) Financial risk

iii) Project risk

iv) Geopolitical and market risks

v) Other risks

Note 9.8 to the separate financial statements provides a detailed explanation of these risks.

8.- EVENTS AFTER THE REPORTING PERIOD

The main events occurring after 31 December 2022 were disclosed in Note 21 to these separate financial statements.

9.- NON-FINANCIAL AND DIVERSITY INFORMATION

Regarding compliance by the Company with Law 11/2018 on non-financial and diversity information, published in Spain's Official State Gazette (BOE) on 29 December 2018, this information is included in the consolidated non-financial statement, which is an integral part of the consolidated management report included in OHLA Group's consolidated financial statements.

The consolidated financial statements and consolidated management report, including the consolidated non-financial statement, will be duly authorised for issue and filed, together with the related auditor's report, in the Madrid Mercantile Register.

ISSUER IDENTIFICATION DETAILS

Year-end date: 31/12/2022

TAX ID (CIF): A-48010573

Company name:

OBRASCÓN HUARTE LAIN, S.A.

Registered office:

PASEO DE LA CASTELLANA, 259 D, TORRE ESPACIO MADRID

A. OWNERSHIP STRUCTURE

A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

[ ] Yes
[√] No

Date of last modification	Share capital (euros)	Number of shares	Number of voting rights
26/03/2021	147,781,145.75	591,124,583	591,124,583

Indicate whether there are different classes of shares with different associated rights:

[ ] Yes
[√] No

A.2. List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
LUIS FERNANDO MARTIN AMODIO HERRERA	0.00	12.98	0.00	0.00	12.98
JULIO MAURICIO MARTIN AMODIO HERRERA	0.00	12.98	0.00	0.00	12.98
INMOBILIARIA ESPACIO, S.A.	0.00	7.10	0.00	0.00	7.10
SIMON DAVIES	0.00	0.00	15.51	0.00	15.51
SAND GROVE OPPORTUNITIES MASTER FUND LTD	0.00	0.00	12.23	0.00	12.23
THE GOLDMAN SACHS GROUP, INC	0.00	2.62	3.64	0.00	6.26

The interest held by Simon Davies, beneficial owner, is through Sand Grove Capital Management LLP, Sand Grove Opportunities Master Fund Ltd, Sand Grove Tactical Fund LP and Investment Opportunities SPC "for the account of Investment Opportunities 2 Segregated Portfolio" legal person owners of the ordinary shares. Simon Davies has a majority shareholding in Sand Grove Capital Management (Cayman) LP, owner of Sand Grove Capital Intermediate Ltd., which in turn is the owner of Sand Grove Capital Management LLP.

Breakdown of the indirect holding:

Name or company name of indirect owner	Name or company name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights
INMOBILIARIA ESPACIO, S.A.	GRUPO VILLAR MIR, S.A.U.	7.10	0.00	7.10
LUIS FERNANDO MARTIN AMODIO HERRERA	FORJAR CAPITAL, S.L.U.	12.98	0.00	12.98
JULIO MAURICIO MARTIN AMODIO HERRERA	SOLID ROCK CAPITAL, S.L.U.	12.98	0.00	12.98

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

According to the information published on the Spanish National Securities Market Commission (CNMV) website:

DWS INVESTMENT GMBH:
28/10/2022: Ownership interest decreased to below the 3% threshold.

A.3. Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
JOSÉ ANTONIO FERNÁNDEZ GALLAR	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	0.00

José Antonio Fernández Gallar holds 3,860 shares, representing 0.0010% of share capital.

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote
No data					

List the total percentage of voting rights represented on the board:

Total percentage of voting rights represented on the Board of Directors	0.00

A.4. If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description
FORJAR CAPITAL, S.L.U., LUIS FERNANDO MARTIN AMODIO HERRERA	Family member	Luis Fernando Martin Amodio Herrera has a 96% ownership interest in the share capital of Somares Invest, S.L. which, in turn, holds all the shares into which the share capital of Forjar Capital, S.L.U. is divided. Forjar Capital, S.L.U. and Solid Rock Capital, S.L.U. are owned by the Amodio family, as disclosed in the Inside Information notice of 21 May 2020.
SOLID ROCK CAPITAL, S.L.U., JULIO MAURICIO MARTIN AMODIO HERRERA	Family member	Julio Mauricio Martín Amodio Herrera has a 97% ownership interest in the share capital of Menes Invest, S.L which, in turn, holds all the shares into which the share capital of Solid Rock Capital, S.L.U. is divided. Solid Rock Capital, S.L.U. and Forjar Capital, S.L.U. are owned by the Amodio family, as disclosed in the Inside Information notice of 21 May 2020.

A.5. If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
FORJAR CAPITAL, S.L.U.	Commercial	The Board of Directors, based on a favourable report by the Audit and Compliance Committee and the abstention, in both cases, of the proprietary directors appointed by FORJAR CAPITAL, S.L.U. and SOLID ROCK CAPITAL, S.L.U., agreed to authorise the Company to sign a relationship protocol between OHLA Group and CAABSA Group for their construction business. The purpose of the agreement is to promote, to the benefit of all OHLA Group shareholders, the potential synergies arising from the groups working together in the construction sector while remaining separate groups and competitors.

Name or company name of related party	Nature of relationship	Brief description
		Both groups consider that, with the utmost respect for their autonomy and independent management, as well as applicable standards on corporate governance and related party transactions, their partnership could be beneficial, especially as their geographical markets of operation complement each other well.
SOLID ROCK CAPITAL, S.L.U.	Commercial	The Board of Directors, based on a favourable report by the Audit and Compliance Committee and the abstention, in both cases, of the proprietary directors appointed by FORJAR CAPITAL, S.L.U. and SOLID ROCK CAPITAL, S.L.U., agreed to authorise the Company to sign a relationship protocol between OHLA Group and CAABSA Group for their construction business. The purpose of the agreement is to promote, to the benefit of all OHLA Group shareholders, the potential synergies arising from the groups working together in the construction sector, while remaining separate groups and competitors. Both groups consider that, with the utmost respect for their autonomy and independent management, as well as applicable standards on corporate governance and related party transactions, their partnership could be beneficial, especially as their geographical markets of operation complement each other well.

A.6. Unless insignificant for both parties, describe the relationships that exist between significant shareholders, shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	INMOBILIARIA ESPACIO, S.A.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Natural person representative of the chairman and CEO of Inmobiliaria Espacio, S.A.
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	ESPACIO CONIL, S.A.U.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Representative of the sole director of Espacio Conil, S.A.U.
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	ESPACIO INFORMATION TECNOLOGY, S.A.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Joint and several director of Espacio Information Tecnology, S.A. (until 5 April 2022)
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	GRUPO VILLAR MIR, S.A.U.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Natural person representative of the chairman and CEO of Grupo Villar Mir, S.A.U.
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	GESTION INTEGRAL DE SERVICIOS INMOBILIARIOS, S.L.U.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Representative of the sole director of Gestión Integral de

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
			Servicios Inmobiliarios, S.L.U.
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	ARINVER, S.L.U.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Representative of the sole director of Arinver, S.L.U.
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	PROMOCIONES Y PROPIEDADES INMOBILIARIAS ESPACIO, S.L.U.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Chairman and CEO of Promociones y Propiedades Inmobiliarias Espacio, S.L.U.
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	VILLAR MIR ENERGÍA, S.L.U.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Director of Villar Mir Energía, S.L.U.
JUAN VILLAR-MIR DE FUENTES	INMOBILIARIA ESPACIO, S.A.	CARTERA VIMIRA 20, S.L.U.	Second deputy chairman of Obrascón Huarte Lain, S.A. / Sole director of Cartera Vimira 20, S.L.U.

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

[ ] Yes
[√] No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

[√] Yes
[ ] No

Parties to the concerted action	% of share capital affected	Brief description of the agreement	Expiry date of the concert, if any
LUIS FERNANDO MARTIN AMODIO HERRERA, JULIO	25.96	The Company is aware that the concerted action exists, but not of its terms.	The Company does not know when the concerted action expires.

Parties to the concerted action	% of share capital affected	Brief description of the agreement	Expiry date of the concert, if any
MAURICIO MARTIN AMODIO HERRERA			

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

N/A

A.8. Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

[ ] Yes
[√] No

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
738,857		0.13

(*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	

Explain any significant changes during the year:

Explain significant changes
N/A

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

Authorisation was given at the Annual General Meeting held on 29 June 2021 so that the Company's Board of Directors, pursuant to Article 146 of the Spanish Corporate Enterprises Act, could repurchase treasury shares under any form of transfer accepted by law, directly or through a subsidiary or investee, up to the maximum amount permitted by law. The authorisation is granted for a period of five years and the shares may be acquired at a maximum price of EUR 6 per share, with no minimum price limit, rendering null and void the unused portion of the authorisation resolved in this connection at the Annual General Meeting held on 21 June 2016.

Pursuant to Article 146.1(a) of the Spanish Corporate Enterprises Act, the shares repurchased may be granted to company employees or directors as remuneration or as a result of duly agreed-upon share option plans or share capital ownership plans.

There is also a current mandate approved by the Annual General Meeting held on 15 June 2019 delegating to the Board of Directors the power to issue shares in accordance with Article 297.1(b) of the Spanish Corporate Enterprises Act, and the power to, in one or several stages and at any time, increase capital of the Company with pre-emptive rights. In this regard, the Board of Directors was authorised to increase the share capital at the time and by the amount that it decides, without consulting the General Meeting, in one or several stages and at any time, within a maximum period of five years from the date of the General Meeting that approved the delegation, for the maximum provided by law, i.e., EUR 85,964,486.7, equal to half the share capital at that time, through the issuance of new shares -with or without a share premium- with the equivalent value of the new shares to be issued consisting of monetary contributions.

The Board of Directors may establish the terms and conditions of the capital increase, freely offer unsubscribed new shares during the pre-emption period, and establish, in the event of incomplete subscription, that the capital only be increased by the amount of the shares subscribed and that the Article of the Company's bylaws on share capital be redrafted.

The Board of Directors may also apply for the admission to trading of the new shares issued under this delegated power on either Spanish or foreign official organised secondary markets, and perform the necessary formalities and actions for the admission to trading before the competent bodies of the various Spanish or foreign securities markets.

A.11. Estimated float:

	%
Estimated float	51.50

A.12. Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

[ ] Yes
[√] No

A.13. Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

[ ] Yes
[√] No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.

[ ] Yes
[√] No

If so, indicate each share class and the rights and obligations conferred:

B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details:

[ ] Yes
[√] No

B.2. Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

[ ] Yes
[√] No

B.3. Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

Pursuant to Article 17 of the Bylaws, approval by an absolute majority of shareholders at the General Meeting is required for amendments to the Bylaws, provided that shareholders attending the General Meeting in person or by proxy reach at least fifty per cent of the subscribed share capital with voting rights.

If shareholders holding at least twenty-five percent of the subscribed voting shares are present in person or by proxy, but do not reach fifty percent of the share capital, the resolution may only be validly adopted with the affirmative vote of shareholders representing two-thirds of the share capital present in person or by proxy at the Meeting.

B.4. Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

	Attendance data				
Date of general meeting	% physical presence	% present by proxy	% distance voting: Electronic voting	% distance voting: Other	Total
15/06/2020	14.64	17.89	0.01	0.05	32.59
Of which float:	0.00	1.89	0.01	0.05	1.95

	Attendance data				
Date of general meeting	% physical presence	% present by proxy	% distance voting		Total
			Electronic voting	Other	
26/03/2021	0.00	14.79	0.21	15.34	30.34
Of which float:	0.00	6.79	0.21	0.70	7.70
29/06/2021	0.00	16.84	0.02	14.78	31.64
Of which float:	0.00	0.84	0.02	0.14	1.00
02/06/2022	0.00	36.58	0.02	0.26	36.86
Of which float:	0.00	3.51	0.02	0.26	3.79

B.5. Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

[ ] Yes
[√] No

B.6. Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

[ ] Yes
[√] No

B.7. Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

[ ] Yes
[√] No

B.8. Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

Website: www.ohl.es/www.ohla-group.com
Information on corporate governance: path: ohla-group.com/en/shareholder-and-investor-information/corporate-governance/
Other information on General Meetings: path: https://ohla-group.com/en/shareholder-and-investor-information/corporate-governance/Annual General Meeting

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	13
Minimum number of directors	7
Number of directors set by the general meeting	10

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the Board	Date first appointed	Date of last appointment	Election procedure
CARMEN DE ANDRES CONDE		Independent	DIRECTOR	09/07/2018	28/05/2019	RESOLUTION OF GENERAL MEETING
REYES CALDERON CUADRADO		Independent	DIRECTOR	27/05/2015	28/05/2019	RESOLUTION OF GENERAL MEETING
CESAR CAÑEDO-ARGÜELLES TORREJON		Independent	DIRECTOR	09/07/2018	28/05/2019	RESOLUTION OF GENERAL MEETING
FRANCISCO JOSE GARCÍA MARTIN		Independent	DIRECTOR	29/07/2021	02/06/2022	RESOLUTION OF GENERAL MEETING
JUAN ANTONIO SANTAMERA SÁNCHEZ		Independent	DIRECTOR	23/06/2016	29/06/2021	RESOLUTION OF GENERAL MEETING
LUIS FERNANDO MARTIN AMODIO HERRERA		Proprietary	CHAIRMAN	04/06/2020	26/03/2021	RESOLUTION OF GENERAL MEETING

Name or company name of director	Representative	Category of director	Position on the Board	Date first appointed	Date of last appointment	Election procedure
JULIO MAURICIO MARTIN AMODIO HERRERA		Proprietary	DEPUTY CHAIRMAN 1º	04/06/2020	26/03/2021	RESOLUTION OF GENERAL MEETING
JOSE ANTONIO FERNANDEZ GALLAR		Executive	CHIEF EXECUTIVE OFFICER	28/06/2018	28/05/2019	RESOLUTION OF GENERAL MEETING
JUAN VILLAR-MIR DE FUENTES		Proprietary	DEPUTY CHAIRMAN 2º	25/06/1996	28/05/2019	RESOLUTION OF GENERAL MEETING
LUIS FERNANDO AMODIO GIOMBINI		Proprietary	DIRECTOR	29/07/2021	02/06/2022	RESOLUTION OF GENERAL MEETING

Total number of directors	10

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
No data					

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name or company name of director	Post in organisation chart of the company	Profile
JOSE ANTONIO FERNANDEZ GALLAR	Chief Executive Officer	Civil Engineer with specialisation in hydraulics and energy from ETS ICCP in Madrid. Master's Degree in Construction and Real Estate Company Management ("MDI").

Total number of executive directors	1

Percentage of Board	10.00

PROPRIETARY DIRECTORS		
Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
LUIS FERNANDO MARTIN AMODIO HERRERA	FORJAR CAPITAL, S.L.U.	Graduate in Civil Engineering from Universidad La Salle (Mexico). Founding partner and co-chairman of Caabsa Group, a business consortium established in 1979 comprising 30 companies in the construction, real estate, concession and service industries.
JULIO MAURICIO MARTIN AMODIO HERRERA	SOLID ROCK CAPITAL, S.L.U.	Graduate in Civil Engineering from Universidad La Salle (Mexico). Founding partner and co-chairman of Caabsa Group, a business consortium established in 1979 comprising 30 companies in the construction, real estate, concession and service industries.
JUAN VILLAR- MIR DE FUENTES	GRUPO VILLAR MIR, S.A.U.	Graduate in Economics and Business Studies from Universidad Autónoma de Madrid. He is currently chairman of Inmobiliaria Espacio, S.A. and Grupo Villar Mir, S.A.U. and director of Ferroglobe PLC.
LUIS FERNANDO AMODIO GIOMBINI	FORJAR CAPITAL, S.L.U.	Graduate in Civil Engineering from Universidad Anahuac México Norte. He has held several positions in Caabsa Group and is a founding partner of Throw App Co.

Total number of proprietary directors	4
Percentage of Board	40.00

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of director	Profile
CARMEN DE ANDRES CONDE	First woman in Spain to earn a degree in Civil Engineering. She has experience in the public sector (Spanish Ministry of Public Works, Spanish Ministry of Industry and Energy and the Spanish state holding company SEPI, where she has held executive positions related to the areas of technology and innovation, and in the private sector (Uralita and Typsa). She is currently the founder and CEO of Creatividad y Tecnología, a company engaged in technology consulting. National Civil Engineering Award winner (2021).
REYES CALDERON CUADRADO	PhD in Economics and Philosophy from the University of Navarra, where she has served as Dean of Economics and Director of Reputation. She completed the Senior Management Program at IESE Business School and the Digital Transformation program at Instituto de Empresa. She holds half a dozen patents on Artificial Intelligence applied to operational risk, reputational risk, and energy consumption. She has been secretary of the Board of Directors of the Instituto de Empresa y Humanismo, independent director and chairwoman of the Audit Committee of the Corporación Pública Empresarial de Navarra, and she is currently an independent director for Abside media. She is a Corporate Governance and Ethics Professor at the Francisco de Vitoria University, having been a visiting Professor at the Hass School (University of Berkeley),

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of director	Profile
	the School of Economics at the University College of London, and the Sorbonne. As an artist, she is the author of 12 novels translated into several languages and has received the Azorin Award and the Abogados Novel Award.
CESAR CAÑEDO-ARGÜELLES TORREJON	Civil engineer. He has successfully led projects such as Prointec, in which he was the chairman from 1990 to 2013; during this tenure he led the integration with Soluziona (Unión Fenosa Group). He has been the chairman of Inse Rail, S.L. He has received outstanding distinctions: medal of honour from the Spanish Association of Civil Engineers (2005); medal for professional services from the Spanish Association of Civil Engineers (1995); and medal of honour from the Spanish Road Association (2013).
FRANCISCO JOSE GARCÍA MARTIN	He holds a Civil Engineering Degree from the Technical University of Catalonia and a Master's Degree in Construction and Real Estate Management from the Technical University of Madrid. For over 15 years, he held various positions of responsibility in FCC until he was appointed General Director of FCC Construcción in 2001. In 2009, he joined Grupo Isolux Corsán as President of Corsán-Corviam, where he subsequently held the position of Chief Executive Officer of the Group. Medal of honour from the Spanish Association of Civil Engineers (2022).
JUAN ANTONIO SANTAMERA SÁNCHEZ	Doctorate in Civil Engineering from Universidad Politécnica de Madrid and Graduate in Economics and Business Studies from UNED. Master's Degree in Planning from Universidad Politécnica de Madrid, Master's Degree in Urban Planning from Instituto de Estudios de la Administración Local and Master's Degree in Budgetary Analysis Techniques in the Public Sector from Instituto de Estudios Fiscales. He was President of the Spanish Association of Civil Engineers (Colegio de Ingenieros de Caminos, Canales y Puertos) and the Fundación Caminos foundation, and Director of the UPM Civil Engineering School.

Total number of independent directors	5
Percentage of Board	50.00

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
CARMEN DE ANDRES CONDE	N/A	N/A

Name or company name of director	Description of the relationship	Reasoned statement
REYES CALDERON CUADRADO	N/A	N/A
CESAR CAÑEDO-ARGÜELLES TORREJON	N/A	N/A
FRANCISCO JOSE GARCÍA MARTIN	N/A	N/A
JUAN ANTONIO SANTAMERA SÁNCHEZ	N/A	N/A

OTHER EXTERNAL DIRECTORS			
Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:			
Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
No data			

Total number of other external directors	N/A
Percentage of Board	N/A

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Executive					0.00	0.00	0.00	0.00

	Number of female directors				% of total directors for each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Proprietary			1	1	0.00	0.00	25.00	25.00
Independent	2	2	2	2	40.00	40.00	50.00	50.00
Other External					0.00	0.00	0.00	0.00
Total	2	2	3	3	20.00	20.00	30.00	30.00

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

The Company has rules regarding integration and diversity management that apply to the entire OHLA Group. Their implementation is a key priority of the sustainability policy.

In 2017, the Board of Directors approved a Director Selection Policy. Measures in the policy included:

- endeavouring to ensure that candidates are always selected from among persons recognised for their solvency, competence and experience, and assessing the knowledge, skills, experience and merits of the proposed candidate, as well as their commitment to performing the role with the required dedication, and
- ensuring, in particular, that on filling the vacancies, the selection procedures are not afflicted by any bias hindering the appointment of female directors and deliberately seek women who could potentially be candidates for the post.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures:

As set out in the Regulations of the Board of Directors and the Director Selection Policy, the Nomination and Remuneration Committee specifically ensures that, on filling vacancies, the selection procedures are not afflicted by bias hindering the appointment of women directors and deliberately seek women who could potentially be candidates for the post.

In compliance with this principle, when vacancies have arisen, the Nomination and Remuneration Committee has endeavoured to invite its members and external advisers to present female candidates who might, in principle, have a professional profile that matches the positions to be filled.

The Nomination and Remuneration Committee has not expressly agreed on measures to encourage the Company to have a significant number of female senior managers. However, the principles included in the Company's Human Resources Policy (III Equality Plan) include strengthening the principle of equal opportunities as a growth driver and promoting non-discrimination based on, among other reasons, gender, promoting a greater presence of women in positions of responsibility within the organisation and favouring their access to all levels and categories, especially in those in which they are the least represented.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reason for this:

Explanation of reasons

There were no vacancies in the Board in 2022, so no selection process was carried out. However, the Company remains committed to gender diversity and will pay special attention to ensuring that when vacancies arise the candidate selection process will include deliberately seeking potential female candidates with a view to achieving a balanced membership between men and women.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The Nomination and Remuneration Committee verifies compliance with the Director Selection Policy on an annual basis.

In 2022, the committee verified that the Board complied with the policy on diversity of gender, and of knowledge and experience of new directors. All directors are persons recognised for their solvency, competence and experience.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

[ ] Yes
[√] No

C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
JOSE ANTONIO FERNANDEZ GALLAR	All the powers of the Board of Directors, except for those that are non-delegable under the law or within the meaning of Article 5 of the Board Regulations, which establish as such powers: the approval of the general corporate strategies and of basic corporate organisational criteria, management objectives and annual budgets; investment and financing policy; the structure of the corporate group; the corporate governance policy; the organisation and functioning of the Board of Directors; the corporate social responsibility policy; the policy in relation to dividends and treasury shares; the appointment, remuneration and, where appropriate, removal of the company's senior managers; control and evaluation of executive management; identification of the main corporate risks and implementation and oversight of internal control systems, appropriate risk and information management system; policy for reporting to and communicating with shareholders, markets and public opinion, with particular attention to the financial information that all listed companies must periodically make public; the creation or acquisition of ownership interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens; and in general any transactions that involve the disposition of substantial corporate assets, major corporate transactions and those specifically provided for in the aforementioned regulations.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
JOSE ANTONIO FERNANDEZ GALLAR	HUARIBE, S.A. DE C.V.	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	PLAYA 4-5 MAYAKOBA, S.A. DE C.V.	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	OHLDM, S.A. DE C.V.	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	OHLA USA, INC	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	JUDLAU CONTRACTING, INC	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	CAC VERO I	Director	NO

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
JOSE ANTONIO FERNANDEZ GALLAR	OHL ARELLANO CONSTRUCTION COMPANY	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	COMMUNITY ASPHALT, CORP	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	OHLA BUILDING, INC	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	SAWGRASS ROCK QUARRY, INC	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	OHL OPERACIONES, S.A.U.	Natural person representative of the sole director	NO
JOSE ANTONIO FERNANDEZ GALLAR	OBRASCÓN HUARTE LAIN, DESARROLLOS, S.A.U.	Chairman and CEO	YES
JOSE ANTONIO FERNANDEZ GALLAR	OHL HOLDING, SÀRL	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	CENTRO CANALEJAS MADRID, S.L.	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	ALSE PARK, S.L.	Deputy chairman	NO
JOSE ANTONIO FERNANDEZ GALLAR	PROYECTO CANALEJAS GROUP, S.L.	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	OHL INICIATIVAS, SÀRL	Director	NO
JOSE ANTONIO FERNANDEZ GALLAR	PACADAR, S.A.U.	Chairman	NO

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
JUAN VILLAR-MIR DE FUENTES	FERROGLOBE PLC	DIRECTOR
CARMEN DE ANDRES CONDE	CREATIVIDAD Y TECNOLOGÍA, S.A.	SOLE DIRECTOR
REYES CALDERON CUADRADO	ABSIDE MEDIA, S.L.	DIRECTOR
LUIS FERNANDO MARTIN AMODIO HERRERA	CAABSA Infraestructura, S.A. DE C.V.	CHAIRMAN
LUIS FERNANDO MARTIN AMODIO HERRERA	CAABSA Constructora, S.A. DE C.V.	CHAIRMAN

Identity of the director or representative	Company name of the listed or non-listed entity	Position
LUIS FERNANDO MARTIN AMODIO HERRERA	PREFABRICADOS Y TRANSPORTES PRET, S.A. DE C.V.	CHAIRMAN
LUIS FERNANDO MARTIN AMODIO HERRERA	TRUCKS PRET, S.A. DE C.V.	CHAIRMAN
LUIS FERNANDO MARTIN AMODIO HERRERA	AMECSA ARRENDADORA DE MAQUINARIA ESPECIALIZADA DE CAMIONES, S.A. DE C.V	CHAIRMAN
JULIO MAURICIO MARTIN AMODIO HERRERA	CAABSA Infraestructura, S.A. DE C.V.	SECRETARY, DIRECTOR
JULIO MAURICIO MARTIN AMODIO HERRERA	CAABSA Constructora, S.A. DE C.V.	DIRECTOR
JULIO MAURICIO MARTIN AMODIO HERRERA	PREFABRICADOS Y TRANSPORTES PRET, S.A. DE C.V.	SECRETARY, DIRECTOR
JULIO MAURICIO MARTIN AMODIO HERRERA	TRUCKS PRET, S.A. DE C.V.	SECRETARY, DIRECTOR
JULIO MAURICIO MARTIN AMODIO HERRERA	AMECSA ARRENDADORA DE MAQUINARIA ESPECIALIZADA DE CAMIONES, S.A. DE C.V	SECRETARY, DIRECTOR

Reyes Calderón Cuadrado is independent director of Ábside Media, S.L.

Julio Mauricio Martin Amodio Herrera is director and treasurer of CAABSA Constructora, S.A. de C.V.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
No data	

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

[√] Yes
[ ] No

Explanation of the rules and identification of the document where this is regulated

In accordance with the Company's Board Regulations, in general and except where duly justified by the Nomination and Remuneration Committee, individuals holding more than five directorships in other companies may not be proposed as directors.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	3,446

Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	
Pension rights accumulated by former directors (thousands of euros)	

Remuneration accrued in 2022 is in line with the remuneration policy approved at the Annual General Meeting held on 2 June 2022.

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
JOSÉ EMILIO PONT PEREZ	GENERAL MANAGER FOR EUROPE AND LATIN AMERICA
JOSE MARÍA DEL CUVILLO PEMÁN	GENERAL MANAGER OF THE LEGAL DEPARTMENT
GONZALO TARGHETTA REINA	GENERAL MANAGER OF CORPORATE RESOURCES
TOMAS RUIZ GONZALEZ	CORPORATE GENERAL MANAGER
JOSE ANTONIO DE CACHAVERA SANCHEZ	GENERAL MANAGER OF SERVICES
JOSE MARIA SAGARDOY LLONIS	CHIEF FINANCIAL OFFICER
FAUSTO GONZÁLEZ CASADO	CONCESSIONS GENERAL MANAGER
DANIEL RUIZ ANDUJAR	GENERAL MANAGER FOR NORTH AMERICA
ASHOK PATEL	GENERAL MANAGER FOR NORTH AMERICA

Number of women in senior management	
Percentage of total senior management	0.00

Total remuneration of senior management (thousands of euros)	9,030

Total remuneration includes the remuneration of Juan Carlos Peña Fernández, Corporate Director of Internal Audit.

It also includes settlements paid to directors who stepped down in 2022. Directors who stepped down in 2022:

- Ashok Patel LEFT OHLA Group on 14 July 2022.

C.1.15 Indicate whether the Board regulations were amended during the year:

[√] Yes
[ ] No

Description of amendment(s)

Articles 10 and 13 of the Regulations of the Board of Directors were amended in 2022.

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

Proposals for the selection, appointment or re-election of directors submitted by the Board of Directors to shareholders at the Annual General Meeting and decisions on appointments adopted by the Board using the powers of co-option vested in it by law are based on a recommendation or report by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall endeavour to ensure that candidates are selected from among persons recognised for their solvency, competence and experience (Article 20 of the Board Regulations). For re-elections, it will assess the quality of the directors' work and dedication to discharging their duties (Article 21 of the Board Regulations).

Directors will cease to hold office once their period of tenure has expired and when decided by the Annual General Meeting or the Board of Directors by virtue of the powers vested in them by law or as mandated by the Company bylaws. Directors must also tender their resignation to the Board of Directors when any of the grounds for resignation outlined in the Board Regulations arise, always based on a report by the Nomination and Remuneration Committee.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)

The annual revaluation carried out in 2022 did not give rise to any significant change in the internal organisation or procedures and work continued internally so that the decision-making process would remain effective and satisfactory.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated

The evaluation process entailed directors filling out a questionnaire on the structure and functioning, responsibilities and effectiveness, and the performance of the Board, the chairman, the secretary and Board committees, as well as the Remuneration Policy.

The findings from the questionnaire are set out in a report submitted to the Board of Directors for its analysis.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

The Company did not engage external advisors to perform the evaluation in 2022.

C.1.19 Indicate the cases in which directors are obliged to resign.

Article 23 of the Board Regulations states that directors must tender their resignation to the Board and, if the latter sees it fit, resign in the following cases:

a) Proprietary directors, if the shareholder they represent disposed of its entire shareholding. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter number should be reduced accordingly.
b) Executive directors, when they no longer hold the executive positions to which their appointment as director was associated.

c) All directors, when any of the conflicts of interest or prohibitions set out by the legislation in force arise or they have interests that go against those of the Company.
d) All directors, when they are severely reprimanded by the Nomination and Remuneration Committee as a result of a breach of their director duties.
e) All directors, when their remaining on the Board may jeopardise the Company's interests, or when the reasons for which they were appointed cease to exist.

Article 23.3 of the Board Regulations states that directors must inform the Board of any circumstances, whether or not related to their actions in the Company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

[ ] Yes
[√] No

If so, describe the differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

[ ] Yes
[√] No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

[ ] Yes
[√] No

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

[ ] Yes
[√] No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 18 of the Regulations of the Board of Directors states that directors who cannot attend Board meetings shall endeavour to grant a proxy to another member of the Board of Directors of the same category and provide the relevant instructions. It also says that external directors may only delegate their representation to another external director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of Board meetings	8
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0

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

Number of meetings held by the NOMINATION AND REMUNERATION COMMITTEE	5
Number of meetings held by the AUDIT AND COMPLIANCE COMMITTEE	11
Number of meetings held by the GUARANTEE COMMITTEE	24

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data.

Number of meetings at which at least 80% of the directors were present in person	8
Attendance in person as a % of total votes during the year	97.50
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	7
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	87.50

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

[√] Yes
[ ] No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
TOMAS RUIZ GONZALEZ	CORPORATE GENERAL MANAGER

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The financial statements, as well as all other periodic financial information or any other information which prudence dictates should be disclosed to the markets, are examined by the Audit and Compliance Committee before they are authorised for issue in a meeting at which the external auditors report on the stage of completion of the audit. The financial statements are examined again at a final meeting at which the external auditors report on their draft auditor's report, in accordance with the Regulations of the Board of Directors. In addition, the Audit and Compliance Committee, at any of its ordinary meetings, may call upon the external auditors to attend, if considered necessary, to be informed about, or clarify, any discrepancy, and provide, as the case may be, additional information to avoid a qualified opinion.

Lastly, the auditors present their draft auditor's report to the Board of Directors in a full board meeting held to authorise the financial statements for issue.

According to Article 42 of the Regulations of the Board of Directors, the Board of Directors will endeavour to prepare the financial statements so that they do not give rise to qualifications by the auditors. The Company has complied with this recommendation since it has been listed on the securities market.

C.1.29 Is the secretary of the Board also a director?

[ ] Yes
[√] No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
JOSE MARÍA DEL CUVILLO PEMÁN	

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

One of the Audit and Compliance Committee's functions is to receive information on matters that might compromise the auditors' independence and any other matters related to the financial audit process, and to receive other notifications provided for in auditing laws and technical auditing standards. The committee examines the external auditor's independence. At an annual meeting, it assesses the external auditor's independence and reviews compliances with requirements regarding conflicts of interest established in Spanish Audit Law 22/2015, of 20 July. The committee considered that this independence had been demonstrated, paying particular to the amount relating to fees for non-audit work. In addition, in accordance with Article 42 of the Board Regulations, the Board shall refrain from proposing the engagement of auditors when the estimated fees exceed 10% of the audit firm's revenue in the previous year.

In addition, at meetings at which the General Economic and Financial Department requests authorisation for the audit firm or other companies in its network to provide non-audit services, the Audit and Compliance Committee reiterates the need to only engage services deemed essential to ensure auditor independence and guarantee compliance with current standards relating to the provision of non-audit services.

On an annual basis, the committee issues a report in which it expresses its opinion on the independence of the Company's and its Group's auditor.

The committee pays special attention to preserving its independence in any process carried to engage financial analysts, investment banks or rating agencies in the ordinary course of the Company's business.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors.

[ ] Yes
[√] No

If there were any disagreements with the outgoing auditor, explain their content:

Yes
[ ] No
[√]

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

[√] Yes
[ ] No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousand euros)	44	12	56
Amount invoiced for non-audit work/Amount for audit work (in %)	6.48	1.70	4.09

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

[ ] Yes
[√] No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	2	2

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (%)	0.06	0.06

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

[√] Yes
[ ] No

Details of the procedure
The required documentation and information is subject to analysis or approval at each meeting of the Board of Directors and Board committees, along with the minutes of each meeting, and made available to directors sufficiently in advance through the digital platform to which directors have exclusive, individual access.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

[√] Yes
[ ] No

Explain the rules

According to Article 23.3 of the Regulations of the Board of Directors, directors must inform the Board of any circumstances, whether or not related to their actions in the Company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. In particular, directors must inform the Board of any criminal proceedings in which they appear as suspects. The Board will examine the case and decide, based on a report from the Nomination and Remuneration Committee, whether or not any measure must be adopted, and disclose this in the annual corporate governance report, unless there are special reasons not to do so.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

[ ] Yes
[√] No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Under the scope of the terms and conditions of the "EUR 487,266,804 Split Coupon Senior Secured Notes", effective as of 2021, the Company entered into an agreement regarding transactions of existing shareholders or third parties that may control OHLA Group. Moreover, the terms and conditions agreed by the Company and its main financial creditors in 2021 for the Company's refinancing included covenants regarding change of control.

In both cases, a change in control in the agreed terms would trigger the redemption/repurchase of notes and the early cancellation of financing facilities.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	9
Type of beneficiary	Description of agreement
1 EXECUTIVE CHAIRMAN, 8 SENIOR EXECUTIVES	TERMINATION BENEFIT: CHIEF EXECUTIVE OFFICER: 2 years' salary. SENIOR EXECUTIVES: in accordance with each employment contract, the bylaw-stipulated amount, with a minimum of one year's salary or a fixed amount. NON-COMPETE AGREEMENT: CHIEF EXECUTIVE OFFICER: one year, for one year's salary. SENIOR EXECUTIVES: in accordance with each employment contract, with one or two years' salary depending on the duration of the agreement or a fixed amount.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders' Meeting
Body authorising the clauses	√	

	Yes	No
Are these clauses notified to the General Shareholders' Meeting?		√

C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

NOMINATION AND REMUNERATION COMMITTEE		
Name	**Position**	**Category**
REYES CALDERON CUADRADO	CHAIRMAN	Independent
FRANCISCO JOSE GARCÍA MARTIN	MEMBER	Independent
JUAN ANTONIO SANTAMERA SÁNCHEZ	MEMBER	Independent
LUIS FERNANDO MARTIN AMODIO HERRERA	MEMBER	Proprietary
JUAN VILLAR-MIR DE FUENTES	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	40.00
% of independent directors	60.00
% of other external directors	0.00

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

See section H.1.

AUDIT AND COMPLIANCE COMMITTEE		
Name	**Position**	**Category**
FRANCISCO JOSE GARCÍA MARTIN	CHAIRMAN	Independent
JULIO MAURICIO MARTIN AMODIO HERRERA	MEMBER	Proprietary
LUIS FERNANDO AMODIO GIOMBINI	MEMBER	Proprietary

AUDIT AND COMPLIANCE COMMITTEE		
Name	Position	Category
REYES CALDERON CUADRADO	MEMBER	Independent
CESAR CAÑEDO-ARGÜELLES TORREJON	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	40.00
% of independent directors	60.00
% of other external directors	0.00

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

See section H.1.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairman of this committee was appointed.

Name of directors with experience	FRANCISCO JOSE GARCÍA MARTIN
Date of appointment of the chairman	29/07/2021

GUARANTEE COMMITTEE		
Name	Position	Category
CARMEN DE ANDRES CONDE	CHAIRMAN	Independent
JOSE ANTONIO FERNANDEZ GALLAR	MEMBER	Executive

% of executive directors	50.00
% of proprietary directors	0.00
% of independent directors	50.00
% of other external directors	0.00

Members besides Carmen de Andrés Conde, chairman of this committee, and José Antonio Fernández Gallar include:

- The Corporate General Manager: Tomás Ruiz González, as member.
- The Chief Financial Officer: José Maria Sagardoy Llonis, as member.
- The General Manager of the Legal Department: José Maria del Cuvillo Pemán, as member.
- The Chief Risk and Internal Control Officer: Álvaro Medina Abenoza, as member.
- And the Finance and Treasury Manager Ignacio Martínez Estéban, Ignacio Martinez Esteban, acting as secretary.

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Guarantee Committee was set up as a Board committee via a resolution of the Board of Directors on 15 June 2020, on the recommendation of the Nomination and Remuneration Committee.

It meets every two months as called by its chairman. Extraordinary meetings are held as required by the senior officers of the business divisions.

The Guarantee Committee's functions entail:

1. Controlling and overseeing trends in the Group's guarantee facilities.
2. Assessing and approving, or rejecting, requests for new bank guarantees for OHLA Group, irrespective of the type, business or subsidiary submitting the request or the geographical area.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
NOMINATION AND REMUNERATION COMMITTEE	1	20.00	1	20.00	1	20.00	2	40.00
AUDIT AND COMPLIANCE COMMITTEE	1	20.00	1	20.00	2	40.00	1	33.00
GUARANTEE COMMITTEE	1	14.30	1	14.30	1	16.66	0	0.00

No information on the Guarantee Committee is disclosed for 2019 since it was set up by the Board of Directors in 2020.

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The regulations of the Audit and Compliance and Nomination and Remuneration Committees are established in the Regulations of the Board of Directors, the updated version of which is available on the Company's website: www.ohl.es (https://ohla-group.com/en/shareholder-and-investor-information/corporate-governance/Board committees).

There were no amendments to the regulations governing the Board committees in 2022.

Each year, the Audit and Compliance Committee and the Nomination and Remuneration Committee approve their Annual Activity Report, which is published on the website when the Annual General Meeting is called.

D. RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1. Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related party transactions whose approval has been delegated by the board of directors.

In 2016, the Company's Board of Directors approved rules implementing the provisions of the Regulations of the Board of Directors, in which the procedures and controls for the transactions that the Company or any of the Group companies wish to perform with the directors or significant shareholders, or with their respective related parties, were reinforced and detailed. The results were revised in 2021.

Transactions affected by this procedure include all transfers of resources, services, rights or obligations, irrespective of whether or not they are for consideration, performed by any of the parties referred to in the preceding paragraph with the Company or with any Group company.

Related party transactions carried out by the Company, as provided for in Law 5/2021 amending the Spanish Corporate Enterprises Act, must first be authorised by General Meeting or the Company's Board of Directors and based on favourable report from the Nomination and Remuneration Committee. The Board of Directors will ensure that transactions with the respective related parties are advantageous for the Company, are timely, are carried out on an arm’s length basis, and respect the principle of equal treatment of shareholders who are in the same position. Breach of the provisions and obligations established in the Group's internal rules and regulations in this respect could be considered an infringement by those at whom they are directed, who have executed and authorised them, and who are required to disclose them, but have failed to do so.

Pursuant to Article 260 of the Spanish Corporate Enterprises Act , the Company will disclose significant transactions between the Company and related third parties in the notes to the financial statements, indicating the nature, relationship, amount and any other information related to the transaction needed to determine the Company’s financial position. Moreover, pursuant to Order EHA/3050/2004, of 15 September, as an issuer of securities admitted to trading on official secondary securities markets, it will provide all the information on related party transactions determined by the half-yearly financial reports, without prejudice to the public announcement by the Company, in accordance with article 529 univicies of the Spanish Corporate Enterprises Act, of related party transactions carried out or that reach (i) 5 percent of total assets and (ii) 2.5 percent of total annual revenue.

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

	Name or company name of the shareholder or any of its subsidiaries	% shareholding	Name or company name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independents
(1)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	7.10	AVALORA TECNOLOGIAS DE LA INFORMACIÓN, S.A.U.	63	Board of Directors	N/A	NO

	Name or company name of the shareholder or any of its subsidiaries	% shareholding	Name or company name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independents
(2)	GRUPO VILLAR MIR, S.A.U.	7.10	AVALORA TECNOLOGIAS DE LA INFORMACIÓN, S.A.U.	1	Board of Directors	N/A	NO
(3)	PROMOCIONES Y PROPIEDADES INMOBILIARIAS ESPACIO, S.L.U.	7.10	AVALORA TECNOLOGIAS DE LA INFORMACIÓN, S.A.U.	37	Board of Directors	N/A	NO
(4)	ESPACIO LIVING HOMES, S.L.	7.10	OBRASCÓN HUARTE LAIN, S.A.	11	Board of Directors	N/A	NO
(5)	ESPACIO INFORMATION TECNOLOGY, S.A.	7.10	OHL SERVICIOS-INGESAN, S.A.U.	5	Board of Directors	N/A	NO
(6)	VILLAR MIR ENERGÍA, S.L.U.	7.10	OHL SERVICIOS-INGESAN, S.A.U.	25	Board of Directors	N/A	NO
(7)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	7.10	AGRUPACIÓN GUINOVART OBRAS Y SERVICIOS HISPANIA, S.A.U.	1	Board of Directors	N/A	NO
(8)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	7.10	CONSTRUCCIONES ADOLFO SOBRINO, S.A.U.	6	Board of Directors	N/A	NO
(9)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	7.10	ASFALTOS Y CONSTRUCCIONES ELSAN, S.A.U.	7	Board of Directors	N/A	NO
(10)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	7.10	OHL SERVICIOS-INGESAN, S.A.U.	24	Board of Directors	N/A	NO
(11)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	7.10	CHEMTROL-PROYECTOS Y SISTEMAS, S.L.U.	20	Board of Directors	N/A	NO
(12)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	7.10	OBRASCÓN HUARTE LAIN, S.A.	41	Board of Directors	N/A	NO
(13)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	7.10	PACADAR, S.A.U.	520	Board of Directors	N/A	NO

	Name or company name of the shareholder or any of its subsidiaries	% shareholding	Name or company name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independents
(14)	ESPACIO INFORMATION TECNOLOGY, S.A.	7.10	PACADAR, S.A.U.	38	Board of Directors	N/A	NO
(15)	GRUPO FERROATLÁNTICA, S.A.U.	7.10	PACADAR, S.A.U.	7	Board of Directors	N/A	NO
(16)	ESPACIO INFORMATION TECNOLOGY, S.A.	7.10	OBRASCÓN HUARTE LAIN, S.A.	557	Board of Directors	N/A	NO
(17)	ESPACIO INFORMATION TECNOLOGY, S.A.	7.10	AVALORA TECNOLOGIAS DE LA INFORMACIÓN, S.A.U.	106	Board of Directors	N/A	NO
(18)	GRUPO VILLAR MIR, S.A.U.	7.10	OBRASCÓN HUARTE LAIN, S.A.	17,026	Board of Directors	N/A	NO

	Name or company name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation
(1)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	Contractual	Revenue
(2)	GRUPO VILLAR MIR, S.A.U.	Contractual	Revenue
(3)	PROMOCIONES Y PROPIEDADES INMOBILIARIAS ESPACIO, S.L.U.	Contractual	Revenue
(4)	ESPACIO LIVING HOMES, S.L.	Contractual	Other operating income
(5)	ESPACIO INFORMATION TECNOLOGY, S.A.	Contractual	Other operating income
(6)	VILLAR MIR ENERGÍA, S.L.U.	Contractual	Other operating income

	Name or company name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation
(7)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	Contractual	Other operating expenses
(8)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	Contractual	Other operating expenses
(9)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	Contractual	Other operating expenses
(10)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	Contractual	Other operating expenses
(11)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	Contractual	Other operating expenses
(12)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	Contractual	Other operating expenses
(13)	ENÉRGYA VM GESTION DE ENERGIA, S.L.U.	Contractual	Other operating expenses
(14)	ESPACIO INFORMATION TECNOLOGY, S.A.	Contractual	Other operating expenses
(15)	GRUPO FERROATLÁNTICA, S.A.U.	Contractual	Other operating expenses
(16)	ESPACIO INFORMATION TECNOLOGY, S.A.	Contractual	Management or partnership agreements
(17)	ESPACIO INFORMATION TECNOLOGY, S.A.	Contractual	Management or partnership agreements
(18)	GRUPO VILLAR MIR, S.A.U.	Contractual	Repayment or cancellation of loans granted

The related party transactions disclosed above are related to INMOBILIARIA ESPACIO, S.A., which holds 7.0970% of the shares.

According to Note 4.4 to the Group's consolidated financial statements, in addition to these related party transactions there are the following related party transactions between the Company and group companies and significant shareholders:

(1)
Significant shareholder: Espacio Living Homes, S.L.
% stake: 7.10%
Company: Obrascón Huarte Lain, S.A.

Item: Revenue (EUR thousand): (504)
Approving body: Board of Directors

(2)
Significant shareholder: Espacio Living Homes, S.L.
% stake: 7.10%
Company: Obrascón Huarte Lain, S.A. Item:
Guarantees and deposits provided (EUR
thousand): 277
Approving body: Board of Directors

(3)
Significant shareholder: Espacio Information Tecnology, S.A.U.
% stake: 7.10 %
Company: Obrascón Huarte Lain, S.A. Item:
Purchase of intangible assets Amount (EUR
thousand): 102
Approving body: Board of Directors

All the transactions were carried out in the ordinary course of the Group's businesses and on an arm's length basis.

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

	Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independents
(1)	LUIS FERNANDO MARTIN AMODIO HERRERA	JETFLIGHT SERVICES, S.A. DE C.V.	Contractual	59	Board of Directors	Proprietary directors representing the interests of Solid Rock Capital, S.L.U. and Forjar Capital, S.L.U.	NO

	Name or company name of the administrators or managers or their controlled or jointly controlled entities	Nature of the operation and other information necessary for its evaluation
(1)	LUIS FERNANDO MARTIN AMODIO HERRERA	Other operating expenses

The related party transaction with JETFLIGHT SERVICES, S.A. DE C.V. is related to three proprietary directors: Luis Fernando Martin Amodio Herrera, Julio Mauricio Martin Amodio Herrera and Luis Fernando Amodio Giombini.

D.4. Report individually on intragroup transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

D.6. Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

The Regulations of the Board Directors establish, among others, as basic obligations arising from the director's duty of loyalty the adoption of the necessary measures to avoid situations in which their interests, either as independent professionals or as employees, may be in conflict with the corporate interests of, and their duties to, the Company and in particular require the director to refrain from:

a) Performing transactions with the Company other than ordinary transactions performed under standard conditions for customers and of scant significance, i.e., those where the related information is not necessary to give a true and fair value of the equity, financial position and results of the Company.
b) Using the Company name or their position as director to unduly influence the performance of personal transactions.
c) Using corporate assets, including the Company's confidential information, for personal ends.
d) Exploiting the Company's business opportunities.
e) Obtaining benefits or remuneration from third parties other than the Company and its Group associated with the discharge of their position, except merely as a courtesy.
f) Performing activities as independent professionals or as employees (current or potential) that involve effectively competing with the Company or that, in any other way, place them in a situation of ongoing conflict with the interests of the Company.

2. These provisions also apply if the beneficiary of the acts or of the prohibited activities is a person related to the director.

3. In any case, directors must notify the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have with the interests of the Company.

Conflicts of interest in which directors might be involved must be disclosed in the notes to the financial statements.

The Company may waive the prohibitions outlined above in certain cases, authorising a director or a related person to carry out a certain transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity, or to obtain a benefit or remuneration from a third party. When the subject matter of the authorisation is exemption from the prohibition on obtaining a benefit or remuneration from third parties or affects a transaction whose value exceeds 10% of the Company's assets, such authorisation must necessarily be agreed upon at the Annual General Meeting. In all other cases, authorisation may be granted by the Board of Directors, provided that the independence of the Board members granting the exemption is guaranteed with respect to the exempt director. It shall also be necessary to ensure the harmless nature of the authorised transaction regarding assets and liabilities and, where appropriate, its performance on an arm's length basis and the transparency of the process. The obligation not to compete with the Company may only be waived in the event that no damage is expected to be caused for the Company or the expected damage is offset by the benefits expected to be obtained as a result of the waiver. The waiver shall be granted by means of an express and separate resolution of the General Meeting. In any event, at the request of any shareholder, the General Meeting shall resolve on the removal of the director carrying on competing activities where the risk of damage to the Company is deemed significant. When use of corporate assets is authorised, the director may be exceptionally exempted from the obligation to pay consideration, but in that case the economic benefit will be considered as indirect remuneration and require authorisation by the Board of Directors, based on a report from the Nomination and Remuneration Committee. If the benefit is received as a shareholder, it will only be authorised if the principle of equal treatment of shareholders is upheld.

The Board will be apprised, in any case, of any economic or commercial relationships that may arise between the director and the Company.

Moreover, the regulation on procedures for related party transactions in force at the Company requires all beneficiaries thereof (directors and senior executives) to be aware of, and comply with, the regulated procedure, and take the appropriate measures to ensure compliance by OHLA and the Group.

D.7. Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

[ ]	Yes
[√]	No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

OHLA Group's Risk Management System works in a comprehensive and ongoing manner, through operational divisions and corporate functional areas, consolidating this management at Group level and issuing the pertinent guidelines.

E.2. Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.

RESPONSIBILITIES ATTRIBUTED TO THE BOARD OF DIRECTORS:

The Board of Directors is the most senior decision-making body of the Company and, as detailed in Article 5 3b) of its Regulations, it must directly exercise "the policy on risk control and management, including tax risks, and oversight of the internal reporting and control systems".

It performs its work through the Audit and Compliance Committee ("the Audit Committee").

RESPONSIBILITIES ATTRIBUTED TO THE AUDIT COMMITTEE:

The Audit Committee's remit, notwithstanding any duties imposed by law, the General Meeting or the Board of Directors, includes the following, as indicated in Article 23 f) of the Bylaws and Article 15 of the Regulations of the Board of Directors: "supervise the effectiveness of internal control, the Company's internal audit services and risk management systems, and review the appointment and replacement of their officers and discuss with the auditors of the financial statements the significant weaknesses of the internal control system detected in the performance of the audit".

RESPONSIBILITIES ATTRIBUTED TO THE RISK AND INTERNAL CONTROL DEPARTMENT:

See section F.5 – Supervision of the functioning of the system.

RESPONSIBILITIES ATTRIBUTED TO THE INTERNAL AUDIT DEPARTMENT:

See section F.5 – Supervision of the functioning of the system.

E.3. Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

SEE SECTION H.1.

E.4. Indicate whether the entity has risk tolerance levels, including for tax risk.

OHLA Group has a risk tolerance level (i.e. acceptable level of risk) established at corporate level.

It defines risk tolerance as the expression of the acceptable or unacceptable level of risk.

Risk tolerance levels are defined for the main risk areas the Group faces and included in the Risk Management Regulations approved by the Board of Directors. Factors considered in determining the level of risk tolerance include risk-return ratio, the primary risk response approach, and risk response decision-making criteria.

The Group has defined certain situations that, if they arise in the course of a transaction, could give rise to an intolerable risk (i.e. red lines). It requires certain authorisations before such risks can be assumed so as to ensure that they are reported and that the appropriate control measures are implemented. The Board of Directors has approved the different levels of authorisation within the Group to address these situations based on the severity of the risks.

OHLA Group has zero tolerance for occupational health and safety, regulatory compliance, and reputation and ethics risks. Regarding reputation and ethics, Obrascón Huarte Lain, S.A. has UNE-ISO 37001 (anti-bribery management systems) and UNE 19601 (criminal compliance management systems) certification. It also has an Internal Compliance Control system that demonstrates that the Company operates on the basis of internationally recognised best practices to combat offences within its organisation, in line with the requirements of Spain's Criminal Code.

E.5. Indicate which financial and non-financial risks, including tax risks, have materialised during the year.

SEE SECTION H.1.

E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise.

Controlling and managing the risks to which the Group's operations are subject are part of OHLA's regulatory and operational framework. When applied by the organisation in carrying out its operations, it can:

• Identify the risks that can affect the achievement of objectives and understand the factors that could trigger risk events and their potential consequences.

• Determine the context that will enable OHLA Group to focus its risk management efforts in step with the environment in which it operates and the business it carries out.

• Analyse and assess risks, to understand the magnitude of both the positive aspects and the negative implications of a risk event, and the vulnerability to this risk event (i.e. probability of occurrence based on the current level of control). The assessment of the magnitude (impact) and vulnerability to potential risks enables OHLA Group to prioritise and, therefore respond to, its risks so that the focus is on those that pose the greatest threat to achievement of its objectives.

• Respond to risks, to put the risk treatment or response options into practice and make integrated decisions in light of the business and context so that the responses are aligned with the Group's defined risk tolerance. Treating risk not only aims to minimise the potential damage, but also to maximise the potential growth of opportunities. Risk responses can be classified into the follow types:

o Reduce: actions aimed at minimising the impact and/or exposure to a risk.
o Accept: actions aimed at maintaining the risk at acceptable levels.
o Share: actions aimed at sharing the risk with third parties by taking out insurance, process outsourcing, distributing risk through agreements, or other similar actions.
o Avoid: actions aimed at eliminating, where possible, the factors giving rise to the risk.

• Follow-up and review: to assess, on an ongoing basis, the effectiveness and relevance of the risk-management decisions taken and to implement the pertinent corrective measures.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1. The entity's control environment.

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

RESPONSIBILITIES ATTRIBUTED TO THE BOARD OF DIRECTORS:

The Board of Directors is the most senior decision-making body of the Company and, as provided for in Article 5 3b) of the Board Regulations, its responsibilities include "approval of general corporate policies and strategies and of the Company's basic organisation and, in particular, the policy on risk control and management, including tax risks, and oversight of the internal reporting and control systems".

The Board of Directors has a supervisory role regarding the Internal Control over Financial Reporting (ICFR) system, understanding the risks relating to the Group's financial reporting objectives and the controls established by the Board to mitigate them.

It performs its oversight work through the Audit and Compliance Committee ("the Audit Committee") and the Internal Audit Department.

RESPONSIBILITIES ATTRIBUTED TO THE AUDIT COMMITTEE:

The Audit Committee's remit, notwithstanding any duties imposed by law, the General Meeting or the Board of Directors, includes the following responsibilities according to Article 23 f) of the Bylaws and Article 15 of the Regulations of the Board of Directors:

1. Supervising the effectiveness of the Company's internal control, internal audit services and risk management systems, and reviewing the appointment and replacement of their officers and discussing with the auditors of the financial statements the significant weaknesses of the internal control system detected in the performance of the audit.

2. Overseeing the financial reporting preparation and presentation process and reviewing the appointment and replacement of the persons responsible.

3. Reviewing the Company's financial statements, monitoring compliance with legal requirements and the correct application of generally accepted accounting principles, and reporting on proposals for changes in accounting principles and policies put forward by management.

RESPONSIBILITIES ATTRIBUTED TO MANAGEMENT:

The General Economic and Financial Department has overall responsibility for the design, implementation and maintenance of the internal controls of the Group's ICFR system to ensure the quality of the information. This responsibility is outlined in the Functions Handbook and the Group's Financial Reporting System Oversight Model.

The ICFR system of each company and/or department is the responsibility of their most senior manager and Economic and Financial Manager.

Among the overall responsibilities and oversight of the internal control system attributed to it, the Corporate Internal Risk and Control Department works together with the General Economic and Financial Department in assessing the impact of reported incidents and monitoring implementation of the action plans to resolve them. This responsibility is outlined in the Financial Reporting System Maintenance and Reporting Instructions.

OHLA Group’s Internal Audit Department checks the reliability of the risk management and internal control systems and the quality of information and, in particular, reviews the ICFR system and the adequacy of the controls in place. This responsibility is included in the Internal Audit Charter approved by the Board of Directors, in the Group's Functions Handbook and in its Financial Reporting System Oversight Model.

F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

· Departments and/or mechanisms in charge of: the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The Board of Directors' policy is to delegate the normal management of the Company to the executive bodies and the management team, and focus its efforts on defining the business and organisational policy and discharging its general oversight function.

The Group's Chief Executive Officer is responsible for designing and reviewing the organisational structure, and proposing any changes to the Group's basic organisational chart.

The General Organisation and Corporate Resources Department is responsible for implementing improvements to the Group's organic structure, proposing structural optimisation and efficiency measures, and defining the reporting lines and domains of competency of the Group's basic structure.

The Chief Executive Officer is responsible for approving the basic organisational charts of the General Departments under his or her authority, and for proposing to the Board of Directors the Group's organic structure and functioning.

The Nomination and Remuneration Committee's basic responsibilities include proposing to the Board of Directors the annual remuneration system and amounts paid to the members of the Management Committee, and the criteria for the remuneration of the Group's other management staff.

The Group has basic and detailed organisational charts covering the entire organisation, which are available to all Group employees.

It also has a Basic Functions Handbook, updated in 2022, which describes the reporting line, composition and basic functions of each governance body, the structure of the Group and its operating divisions. The Handbook is available to Group employees on the corporate Intranet.

The Organisational Chart and the Functions handbook are updated periodically and when circumstances dictate.

· Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

SEE SECTION H.1.

· • Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential.

OHLA Group has a whistleblower channel (the "Ethics Channel") governed by an internal procedure published in the Company’s body of regulations. The Ethics Canal is available to all OHLA personnel and stakeholders wishing to ask any questions or report, on good faith, any professional conduct that could imply, by action or omission, irregularities, breaches or infringements of the rules and principles of action outlined in the Code of Ethics, and other regulations or procedures that make up the Company's internal rules and regulations, or are against the law.

The Compliance Department is responsible for receiving and processing the complaints and consultations received through the Ethics Channel, which is available in Spanish, English and Czech on the corporate Intranet, the Group's website (https://www.canaletico.ohla-group.com), or by post (OHLA Group Ethics Channel - Compliance Department: Pº Castellana, 259 D. Torre Espacio, 28046 Madrid. Therefore, it is widely accessible.

The procedure of the Group's Ethics Channel provides, *inter alia*, specifies how to process complaints to ensure confidentiality, fair treatment and the absence of retaliation: notification, analysis, investigation and resolution. Before the Audit Committee examines a complaint, the Compliance Department collates the information it deems necessary to form an opinion about whether a matter or substance exists that would enable it to determine whether or not to initiate an investigation.

This phase ends with a decision by the Ethics Channel Manager (Compliance Department) on whether to accept the complaint for processing, which must be approved by the Audit Committee. Where there is a conflict of interest, a proposal to reject the complaint or reasons of urgency, the complaint must be reported to the Audit and Compliance Committee.

OHLA Group allows complaints to be reported anonymously. However, to be accepted for processing, sufficient evidence of the reported facts must be provided so that the investigation can focus on specific facts.

Once the investigation is concluded, the Compliance Department informs the Audit Committee of the conclusions of the reports carried out in this stage and proposes the adoption of the measures it deems necessary for the definitive resolution of the matter.

In 2022, a total of 36 communications of potential breaches of the Code of Ethics (as well as various queries) were received. Of these, 26 were made directly through the Ethics Channel and the other 10 through other channels. Of the complaints, 20 were investigated and 16 either dismissed or referred to other areas or departments as they did not represent any violation of the Code of Ethics.

All complaints accepted were or are being duly investigated and the consultations answered, in line with the internal procedures in place. At year-end, four were still being investigated.

· Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.

For training and periodic refresher courses for staff involved in the preparation and review of the financial information, topics related to economic and financial improvements and updates have been included in the Group's training catalogue.

Meanwhile, all personnel responsible for the Group's financial reporting have access to a digital archive of all ICFR system regulations, the Group's Accounting Policies Handbook and the other accounting legislation used generally. All of internal regulations regarding financial reporting and financial reporting processes are available on the Group's Intranet.

F.2. Assessment of risks in financial reporting.

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

· Whether the process exists and is documented:

SEE SECTION H.1.

· Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.

SEE SECTION H.1.

· The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

SEE SECTION H.1.

· Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

SEE SECTION H.1.

· The governing body within the company that supervises the process.

SEE SECTION H.1.

F.3. **Control activities.**

Report on whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

The Group has a detailed procedure for disclosing financial information to third parties, so that both the preparation and dissemination of such information have the utmost guarantees.

The Group's General Economic and Financial Department is charge of preparing the Group's financial information.

Before disclosure to the markets, the Board of Directors must approve this financial information, based on a favourable report by the Audit Committee, analysing it and requesting any clarifications it deems necessary, both internally and from the Group's external auditor.

These activities are performed for the interim, quarterly and half-yearly financial reporting, as well as for the annual reporting. Half-yearly and annual reporting is subject to approval by Obrascón Huarte Lain, S.A.'s Board of Directors.

The procedure for disclosing financial information to third parties also governs how to act regarding other issues, such as:

- Inside information
- Financial information for other securities markets
- Financial information for analysts and investors, financial institutions and rating agencies
- Statistics
- Tenders and bids
- Financial information required in agreements

Individuals in charge of preparing, authorising and disclosing public financial information are established for each case.

DOCUMENTATION ON FLOWS OF ACTIVITIES AND CONTROLS:

A basic step to ensuring the reliability of the information is the analysis of critical processes and subprocesses affecting the preparation of such information. The aim is to facilitate the risk identification described and the implementation of controls. In this connection, the work comprises the following steps:

1. Identifying the critical processes, and the sub-processes comprising each one of them, which play a part, directly or indirectly, in the generation of the financial information for the companies included in the scope.
2. Describing the flow of activities using process and sub-process flowcharts.
3. Identifying key control activities that mitigate the identified risks that might affect the generation of financial information, identifying the person in charge of control, the frequency of the activity, the type of control (detective or preventive), the type of execution (manual or automatic) and the related supporting documentation.

The activity flow documentation compiled in the course of the processes and sub-processes is available to all employees on the Group's intranet.

The documented processes include the accounting close, reporting and consolidation process, taking into account the specific review of the significant judgements and estimates made.

The Group has a governance, risk and compliance (GRC) IT tool that supports its ICFR system structure and serves as a database for all the material processes and sub-processes of the Group companies. This allows for integrated reporting and oversight of the ICFR system for all material processes and sub-processes of the Group companies within its scope

The Group's General Economic and Financial Department, supported by the various divisions, is responsible for updating processes and activities. It reports to the Audit Committee regularly on the stage of completion of the work performed in relation to the ICFR system and the improvement processes implemented.

F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

OHLA's ICFR model envisages the IT processes that include the environment, architecture and infrastructure of the information technologies, as well as the applications related to transactions that directly affect the Company's main processes and, accordingly, the financial reporting and accounting close processes.

The Group's Information Systems Department is responsible for the information systems. Its duties include defining and monitoring the security policies and standards for applications and infrastructure that support the internal control model within the area of information technologies.

In relation to the internal control framework of the information systems, areas considered priority areas relate to application security and access control, data protection, developments of applications in response to the Group's needs, and the ability to recover from a security incident that could affect business operations.

Within these areas, the following items relating to the applications supporting the financial reporting system are considered to be particularly relevant:

• Physical security of the data processing centres.
• Management of the demand for developments and functional changes.
• Management of IT development flow.
• Management of cybersecurity risks.
• Management of incidents.
• Management of continuity of economic processes.

In addition, in 2022 actions were taken to set up control, monitoring and reporting of the IT systems that support business processes with an impact on the financial reporting, including:

• In infrastructure:
- Continued review of communications from headquarters to enhance monitoring of end-to-end traffic.
- Further deployment of probes at several facilities and construction sites to gather information on availability of communications for proactive detection of connection, speed or other incidents.
- Completion of the migration of all Group computers to Windows 10 for increased security and start of unification of the version installed to standardise remote updates of equipment.
- Continuation of the Active Directory unification project, to have a corporate-wide set of users and computers with the same policies throughout the Group, allowing for better segmentation of user rights and integration with Azure Cloud.
- Start of the deployment of cloud applications using Azure Cloud/AWS technology to optimise operations and help minimise the carbon footprint.

• In applications:
- Further development of the data management initiative to have dashboards and indicators at different levels of management in the following areas and/or processes: Construction project record (operational and aggregated), HR indicators and management control scorecard.
- Implementation of ERP SAP B1 in the Concessions business line.
- Migration of integrated reporting indicators from the Enablon to the Bwise application, thus standardising the Group's reporting of controls and indicators.
- Improvements to GCONS in the level of progress, allowing for automated uploading of information of level of progress/future losses from branches.
- Further implementation of the invoice and e-invoice approval process, requiring this in new agreements entered into with suppliers in Spain, thereby making the process more efficient by reducing handling time and automating controls in the invoice management process.
- Migration of construction project documents from the GCONS repository to a cloud-based repository (SharePoint) to optimise their search and access possibilities.

• In IT governance:
- Completion of the update of all regulations of the Corporate IT Systems Department.
- Implementation of scorecards for monitoring costs related to consumption rate-based licenses such as Autodesk and Microsoft Office 365 to enhance their control and monitoring.

- Creation of committees for monitoring initiatives, problems and incidents among the OHL Group's systems managers to share experiences and find solutions to the various problems that arise.
- Completion of the project to optimise the corporate services catalogue of the Information Systems Department using the Group's services management tool to enhance user searches and browsing.

• In IT security:
- Further work on implementing user equipment protection measures to enhance control of OHLA Group devices by applying security set ups, encrypting laptop drives, installing antivirus and antiransomware tools, and distributing automatic security updates.
- Continued implementation of communications, infrastructure and systems usage monitoring to detect anomalies and incidents that could affect business operations.
- Implementation of a mail safety backup and filing process for OHLA Group user documents to safeguard information against incidents that could result in loss and enable their recovery.
- Audit of personal data processing in OHLA to verify compliance with data protection laws and ensure that personal data are processed correctly.
- Launch of an information security awareness campaign to teach OHLA Group users best cybersecurity practices so they can identify threats that jeopardise data and IT systems and act more safely in their daily work.

F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

The Group has internal control procedures in place aimed at overseeing the information included in the financial statements of temporary business associations (UTEs) and joint ventures (JVs) in which it holds an interest.

This procedure distinguishes between UTEs managed by the Group and those that are not. For managed UTEs, since the information is managed in the Group's systems, the same controls and accounting policies followed for the rest of the Group are applied.

When the Group is not responsible for management of the UTEs/joint ventures/consortia, information review and uniformity processes are carried out, where necessary for inclusion in the Group's financial statements, and the basic economic and financial criteria are set by mutual agreement with the partners. In both cases, review work is also performed through the Group's representatives on the management committees.

For valuations requested from independent experts, the criteria used are analysed to verify their suitability and the valuations are discussed in detail. Where reports are not deemed to be conclusive or controversial aspects arise, additional opinions are requested for their clarification. Where valuations are based on estimates by the Group's various divisions, the assumptions used and their reasonableness are verified by the General Economic and Financial Department.

For other significant judgements, estimates and projections, a detailed review is conducted. Particular attention is paid to the criteria used in the medium- and long-term projections performed by the Group's various subsidiaries / divisions and whether they are consistent in respect of all the parameters used.

F.4. **Information and communication.**

Report on whether the company has at least the following, describing their main characteristics:

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

ACCOUNTING POLICIES HANDBOOK:

The Group has an Accounting Policies Handbook designed to summarise the Group's general accounting principles, measurement bases and general accounting policies and the specific accounting policies of each division. Compliance with the handbook is mandatory for all OHLA Group companies.

The Group's General Economic and Financial Department is responsible for the internal application of the accounting policies.

In both cases, the General Economic and Financial Department informs the Audit Committee of any updates before they are made.

For matters not detailed in the Accounting Policies Handbook, International Financial Reporting Standards (IFRSs) are applied.

RESPONSIBILITIES OF THE AUDIT AND COMPLIANCE COMMITTEE:

According to Article 15 (1) of Obrascón Huarte Lain, S.A.'s Regulations of the Board of Directors, the basic responsibility of the Audit Committee is as follows: "Reviewing the Company's financial statements, monitoring compliance with legal requirements and the correct application of generally accepted accounting principles, and reporting on proposals for changes in accounting principles and policies put forward by management."

The Audit Committee actively discharges this responsibility by being informed of the accounting updates proposed by the Group's General Economic and Financial Department, and developments in accounting legislation, in the process of being approved by the IASB, that may affect the Group.

This information is also discussed with the Group's auditors in regular meetings held with the Audit Committee.

In addition, the reports issued by Internal Audit and also received by the Audit Committee usually address the review of the proper application of the accounting principles within the areas or review projects as part of their planned engagements.

F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

The Group has a procedure in place, managed by the Group's General Economic and Financial Department, for obtaining periodic financial information from all divisions. It describes the financial reporting models that Group subsidiaries must send regularly, indicating the persons responsible for their preparation and update.

This procedure includes:

- The Group's accounting close timetable.
- A mandatory standardised monthly financial reporting model, which in most cases includes traceability of the information from the IT system and detailed instructions for its completion.
- A standardised annual financial reporting model for preparation of the notes to the Group's financial statements, with detailed instructions for its completion.
- Internal system for sending corporate information.

Any significant change in this procedure is reported to the Audit Committee.

ICFR SYSTEM MAINTENANCE AND REPORTING

An ICFR system maintenance and reporting procedure is in place for internal control purposes aimed at periodically reporting on its functioning.

The persons responsible for updating and maintaining the ICFR system at the companies included within the ICFR system scope must keep each process up to date, based on a specified assignment of responsibilities.

Similarly, a half-yearly reporting procedures is in place to facilitate internal knowledge regarding the degree of compliance of the ICFR system.

The Reporting Model is submitted to the Group's General Economic and Financial Department by the economic and financial head of each subsidiary on a half-yearly basis. In a bid to achieve continuous improvement, all changes and incidents reported by each subsidiary are evaluated by the General Economic and Financial Department so that the ICFR system is kept up to date and in step with the applicable circumstances.

Since 2020, to comply with ESEF regulations issued by ESMA, the Group has had an IT tool in place for creating and presenting annual financial reports electronically. This tool also allows for labelling using the ESEF taxonomy. When the time comes, the financial statements will be published on the Group's website in that format.

F.5. **Supervision of the functioning of the system.**

Report on at least the following, describing their principal features:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

SEE SECTION H.1.

F.5.2 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

Article 15 of Obrascón Huarte Lain, S.A.'s Board Regulations includes the following responsibilities of the Audit and Compliance Committee:

Section 2c): establish appropriate relations with external auditors to receive information on matters that might compromise the auditors' independence and any other matters related to the financial audit process, and to receive other notifications provided for in auditing laws and technical auditing standards.

Section 2i): supervise the effectiveness of the Company's internal controls and risk management systems, and discuss with the auditor any significant weaknesses in the internal control system that may have been detected over the course of the audit, without compromising its independence. To this end, and where appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding time frame for follow-up activities.

These responsibilities are performed actively, through regulars meetings the Audit Committee holds with the Group's external auditors and with the department managers, and with the Group's Chief Financial Officer, Risk and Internal Control Director, Internal Audit Director and Chief Compliance Officer, who are all permanently invited to attend all of the Audit Committee's meetings.

This way, based on an annual schedule, the Audit Committee calls the heads of each of area in advance to attend in person and give a specific presentation to the committee members on how they manage risk in their respective areas.

The Audit Committee holds meetings with the external auditors at least every six months and annually to be informed of internal control issues detected in the course of the audit which, where applicable, are corrected by updating the affected policies or rules and the controls defined in the Internal Control System. In 2022, the external auditor attended five Audit Committee meetings.

The Audit Committee receives reports on all actions of the Internal Audit Department, the Risk and Internal Control Department and the Compliance Department, and a report on the weaknesses detected and monitoring of compliance with all the significant recommendations made in the performance of its work.

The three departments are in constant communication with the Audit Committee regarding those functions, particularly of preparing and keeping up to date:

- The annual engagement plan.
- The Department's annual budget.
- The reports on each assignment performed.
- The Department's Organisational and Procedural Rules.

The aim is for the Audit and Compliance Committee to monitor all the activities performed as an effective measure for developing and complying with its oversight responsibilities.

F.6. **Other relevant information.**

NOT APPLICABLE

F.7. **External auditor´s report.**

Report:

F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The Group engaged an external auditor to prepare a review report on the ICFR system information described in this document, attached as an Appendix, in line with Guidelines on the Auditor's Report relating to the Information on the ICFR system of Listed Companies, published by the CNMV on its website.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

   Complies [X] Explain [ ]

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

   a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.

   b) The mechanisms in place to resolve any conflicts of interest that may arise.

   Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

   a) Changes that have occurred since the last General Shareholders' Meeting.

   b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

   Complies [X] Complies partially [ ] Explain [ ]

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

   And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

   Complies [X]   Complies partially [ ]   Explain [ ]

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.

   And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

   Complies [X]   Complies partially [ ]   Explain [ ]

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

   a) Report on the auditor's independence.

   b) Reports on the workings of the audit and nomination and remuneration committees.

   c) Report by the audit committee on related party transactions.

   Complies [X]   Complies partially [ ]   Explain [ ]

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

   And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

   Complies [X]   Complies partially [ ]   Explain [ ]

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals.

   Complies [X]   Complies partially [ ]   Explain [ ]

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

   And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

   Complies [X]   Complies partially [ ]   Explain [ ]

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

    a) Should immediately distribute such complementary points and new proposals for resolutions.

    b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

    c) Should submits all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

    d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

    Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

11. That, if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

    Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

    And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

    Complies [X] Complies partially [ ] Explain [ ]

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

    Complies [X] Explain [ ]

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

    a) Is concrete and verifiable.

    b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

    c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

    That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

    The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

    Complies [X] Complies partially [ ] Explain [ ]

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

    And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

    Complies [ ]   Complies partially [X]   Explain [ ]

When a vacancy on the Board of Directors arises, the Board specifically ensures that, on filling it, the selection procedures are not afflicted by bias hindering the appointment of women directors and deliberately seek women who could potentially be candidates for the post.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

    This criterion may be relaxed:

    a) In large-cap companies where very few shareholdings are legally considered significant.

    b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

    Complies [X]   Explain [ ]

17. That the number of independent directors should represent at least half of the total number of directors.

    That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

    Complies [X]   Explain [ ]

18. That companies should publish the following information on its directors on their website, and keep it up to date:

    a) Professional profile and biography.

    b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

    c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

    d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.

    e) Company shares and share options that they own.

    Complies [X]   Complies partially [ ]   Explain [ ]

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

    Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

    Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

    The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

    Complies [X] Explain [ ]

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

    And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

    Complies [X] Complies partially [ ] Explain [ ]

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

    Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

    Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

    And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

    Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

    And that the Board regulations establish the maximum number of company Boards on which directors may sit.

    Complies [X] Complies partially [ ] Explain [ ]

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

    Complies [X] Complies partially [ ] Explain [ ]

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

    Complies [X] Complies partially [ ] Explain [ ]

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

    Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

    Complies [X] Complies partially [ ] Explain [ ]

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies [X]   Explain [ ]   Not applicable [ ]

31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall by duly recorded in the minutes.

Complies [X]   Complies partially [ ]   Explain [ ]

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [X]   Complies partially [ ]   Explain [ ]

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies [X]   Complies partially [ ]   Explain [ ]

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies [ ]   Complies partially [ ]   Explain [ ]   Not applicable [X]

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies [X]   Explain [ ]

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies [ ] Complies partially [X] Explain [ ]

The Company carried out the evaluation internally without the assistance of any external adviser, mainly due to the implementation of a strict cost containment policy that affects the engagement of external advisers.

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies [X] Complies partially [ ] Explain [ ]

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [X]   Complies partially [ ]   Explain [ ]

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies [X]   Complies partially [ ]   Explain [ ]

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies [X]   Complies partially [ ]   Explain [ ]

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [X]   Complies partially [ ]   Explain [ ]

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies [X]   Complies partially [ ]   Explain [ ]

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies [X] Complies partially [ ] Explain [ ]

48. That large-cap companies have separate nomination and remuneration committees.

Complies [ ] Explain [ ] Not applicable [X]

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies [X] Complies partially [ ] Explain [ ]

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment for senior management to the Board of Directors.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies [X] Complies partially [ ] Explain [ ]

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies [X] Complies partially [ ] Explain [ ]

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies [ ] Complies partially [X] Explain [ ] Not applicable [ ]

The Board of Directors considers that the duties attributed to the Guarantee Committee suffice.

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies [X] Complies partially [ ] Explain [ ]

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies [X] Complies partially [ ] Explain [ ]

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct-

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [X] Complies partially [ ] Explain [ ]

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies [X] Explain [ ]

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies [X]   Complies partially [ ]   Explain [ ]

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies [ ]   Complies partially [X]   Explain [ ]   Not applicable [ ]

The annual variable remuneration of the Company's executive directors is linked to the achievement of certain annual targets, the degree of fulfilment of which is determined by the Board of Directors on a recommendation by the Nomination and Remuneration Committee.

According to the Director Remuneration Policy approved by the Annual General Meeting, payment of the Annual Variable Remuneration shall be linked to the achievement of specific business objectives.

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies [X]   Complies partially [ ]   Explain [ ]   Not applicable [ ]

H. FURTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010:

C.2.1. AUDIT AND COMPLIANCE COMMITTEE.

FUNCTIONS, RULES AND PROCEDURES FOR THE ORGANISATION AND FUNCTIONING OF THE AUDIT AND COMPLIANCE COMMITTEE: The functions entrusted to the Audit and Compliance Committee and the procedures and rules governing its organisation and operation are set out in Article 15 of the Regulations of the Board of Directors: "Article 15. The Audit and Compliance Committee. 1. The number of members of the Audit Committee shall not be less than three or more than seven, and shall be determined by the Board of Directors. All the members of the Audit Committee must be directors who are not executives of the Company and do not have a contractual relationship other than that by which they are appointed. The majority must be independent directors. The members of the Audit and Compliance Committee, and in particular its chairman, shall be appointed taking into their knowledge and experience in accounting, audit and risk management, both financial and non-financial risks. Without prejudice to the provisions of the law and the Company's bylaws, the Audit Committee shall have the powers and be governed by the rules of operation set out below. 2. Without prejudice to other tasks assigned to it by law, the Bylaws, the Annual General Meeting or the Board of Directors, the Audit and Compliance Committee shall have the following basic responsibilities: a) To report to the Annual General Meeting on any issues raised at it by shareholders in matters within its competence and, in particular, on the outcome of the audit, explaining how it has contributed to the integrity of the financial information and the duties performed by the Audit and Compliance's in this process; b) To lay before the Board of Directors proposals for the selection, appointment and replacement of the auditor, the terms of the engagement, the scope of the professional mandate, guaranteeing that the fees paid to the external auditor for its work does not compromise its quality or independence, and, where applicable, the external auditor's revocation or non-renewal, and to regularly receive from the external auditor information on the audit plan and its execution, in addition to preserving its independence in the exercise of its duties. In the event of resignation by the external auditor, to examine the reasons behind it; c) To establish appropriate relations with external auditors to receive information on matters that might compromise the auditors' independence and any other matters related to the financial audit process, and to receive other notifications provided for in auditing laws and technical auditing standards; d) To receive, in all cases, an annual statement from the external auditors confirming their independence from the Company or directly or indirectly related entities, in additional to detailed information on an individual basis about any additional services of any kind provided to, and the related fees received from, these entities by the auditors or by persons or entities related to them, pursuant to the law. To ensure that the external auditor holds an annual meeting with the Board of Directors in full in order to make a report regarding the engagement performed and the development of the company's accounting situation and risks; e) To make sure that the Company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof; f) To ensure that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor’s business, and, in general, all other rules regarding auditors' independence; g) To issue on an annual basis, prior to the issuance of the audit report on the financial statements, a reporting containing an opinion regarding whether the independence of auditors and audit firms has been compromised. This report must be contain, in all cases, a reasoned evaluation of the provisions of each additional service referenced in the previous point, considering each service individually and jointly, separate to the statutory audit and in relation to the system of independence and regulations governing auditing activities; h) To ensure fulfilment of the audit engagement, endeavouring that the auditor's opinion on the financial statements and the content of the audit report are drafted clearly and precisely; i) To supervise the effectiveness of the Company’s internal controls and risk management systems, and discuss with the auditor any significant weaknesses in the internal control system that may have been detected over the course of the audit, without compromising its independence.

To this end, and where appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding time frame for follow-up activities; j) To supervise and evaluate the processes for the preparation and the completeness of the financial and non-financial information, as well as the financial and non-financial risk control and management systems relating to the Company and the Group, including operational, technological, legal, social, environmental, political, or reputational risks, or risk related to corruption. To review the appointment and replacement of the persons responsible; k) To ensure the independence of the unit charged with the internal audit function; propose the selection, appointment, re-election and dismissal of the head of internal audit; propose the budget for this service; approve or propose its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); to receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports; l) To review the Company's financial statements, monitoring compliance with legal requirements and the correct application of generally accepted accounting principles, and report on proposals for changes in accounting principles and policies put forward by management; m) To review issue prospectuses and periodic financial information that must be disclosed by the Board to the markets and its supervisory bodies; n) To ensure that internal control policies and systems are effectively applied in practice; o) To inform the Board of Directors in advance of any related party transactions that must be approved by the General Meeting or the Board of Directors, and oversee the internal procedure in place at the Company for those transactions whose approval has been delegated; p) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the Company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported; q) Inform the Board of Directors, with prior notice, about all matters foreseen in law, the Bylaws and the Regulations of the Board of Directors; in particular those regarding: 1) the financial information and the management report, which shall include, where appropriate, the mandatory non-financial statement the Company must disclose periodically, 2) the creation or acquisition of ownership interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens, 3) proposals for amendments to the Regulations of the Board of Directors.
3. The Audit Committee shall appoint a chairman from among its members who must be an independent director. In the absence of the chairman, the oldest independent director shall chair the meeting. The chairman's term of office shall be a maximum of four years, and he or she may be re-elected after a period of one year has elapsed since leaving office. The secretary of the Board of Directors, and in his or her absence the deputy secretary of the Board of Directors, will act as secretary. Minutes shall be taken of the resolutions adopted at each meeting, which shall be reported to the Board in plenary session. 4. The Audit Committee shall meet periodically as required and at least four times a year. One meeting must necessarily be devoted to evaluating the efficiency of, and compliance with, the Company's rules and procedures of governance and preparing the information that the Board of Directors must approve and include in its annual public documentation. It will be convened by the chairman, who must call the meeting at the behest of the chairman of the Board of Directors or of two members of the Committee itself. Committee meetings shall be quorate when at least a majority of its members are present or represented. Resolutions shall be adopted by an absolute majority of the members attending the meeting. Voting in writing and without a meeting shall only be permitted when none of the members object to such procedure. 5. Any member of the management team or of the Company's personnel who is required to do so shall be obliged to attend the meetings of the Audit Committee and to cooperate with it and provide it with the information available to that member. The Committee may also request the auditor's attendance at the meetings. 6. To better discharge its duties, the Audit and Compliance Committee may seek the advice of external professionals, whose engagement shall be up to the Board of Directors. The Board may not refuse the engagement without a reasoned explanation based on the Company's interests."

MAIN ACTIONS IN 2022:

- Reporting to the Board of Directors on the budget for the year and monitoring budget compliance.
- Monitoring the Company's and Group's financial and cash position throughout the year.
- Reviewing and analysing, prior to the Board meeting, the main interim periodic (quarterly and half-yearly) economic and financial reports, duly providing a favourable report for presentation to the markets and their supervisory bodies.
- Reviewing and approving the 2021 tax report, the tax policies applied during the year, and the incidents arising and the tax management tools used during the year.
- Reviewing the steps and processes of the Group's Internal Control over Financial Reporting (ICFR) system during the year.
- Reviewing the external auditors' work.
- Reviewing the economic terms and conditions of the engagement of the audit firm of the Company's and Group's financial statements.
- Analysing the external auditor's independence and reviewing compliance with requirements regarding conflicts of interest established in Spanish Audit Law 22/2015, of 20 July, considering such independence to be demonstrated.
- Approving non-audit services provided by the external auditor to the Company or Group subsidiaries, previously reported by the General Economic and Financial Department with respect to their nature, circumstances and amounts.
- Analysing and reviewing the reports by Internal Audit in 2022 on the various projects selected and cross-cutting aspects of the various activities, their outcome, conclusions and, where applicable, recommendations to Company management.
- Reviewing and approving the Internal Audit Department's Annual Report for 2021 and the 2022 Internal Audit Plan, including the budget for the year.
- Reviewing and approving the Compliance Department's Annual Report for 2021 and of the Compliance Department's Annual Plan for 2022, including the budget for the year.
- Analysing and processing complaints reported by the Compliance Department received through the Ethics Channel in 2022.
- Following up on the investigations coordinated by the Compliance Department at the request of the Committee itself.
- Monitoring the actions taken under the framework of the anti-money-laundering and terrorist financing system implemented in the group companies required to do so because of their business or because of local laws.
- Supervising the work plan drawn up for renewing ISO 37001 certification (anti-bribery management systems) and UNE 19601 certification (criminal risk compliance management system), obtained in 2019.

- Reviewing and approving the Risk and Internal Control Department's Annual Report for 2021 and the Risk and Internal Control Department's Annual Plan for 2022, including the budget for the year.
- Updating the Risk Map and OHLA Group's financial and non-financial risks.
- Analysing the Group's related party transactions.
- Monitoring the implementation of the corporate restructuring (Hive Down) agreed under the framework of the Group's financial refinancing with its main bank creditors on 25 June 2021.
- Performing the Committee's annual self-assessment.
- Preparing the Committee's annual activity report.

C.2.1. NOMINATION AND REMUNERATION COMMITTEE.

FUNCTIONS, RULES AND PROCEDURES FOR THE ORGANISATION AND FUNCTIONING OF THE NOMINATION AND REMUNERATION COMMITTEE: The functions, rules and procedures for the organisation and functioning of the committee are set out in Article 16 of the Regulations of the Board of Directors: "Article 16. Nomination and Remuneration Committee. 1. The Board of Directors shall designate from among its members a Nomination and Remuneration Committee. The number of members of the Nomination and Remuneration Committee shall not be less than three or more than seven, and shall be determined by the Board of Directors. All Nomination and Remuneration Committee members must be directors who are not executives of the Company and do not have a contractual relationship other than that by which they are appointed, and at least two of them shall be independent. Efforts shall be made to appoint members with the appropriate knowledge, skills and experience to discharge their responsibilities. The chairman of the Nomination and Remuneration Committee shall be appointed from among the independent directors who are members. The Nomination and Remuneration Committee shall have the powers and be governed by the rules of operation set out below. 2. Without prejudice to any other functions assigned by law, the Bylaws or the Board, the Nomination and Remuneration Committee shall have at least the following functions: a) Evaluating the competencies, knowledge and experience necessary for the Board of Directors. For this purpose, it shall define the functions and skills required for candidates to cover each vacancy and shall evaluate the time and dedication necessary to perform their duties effectively; b) Setting a target for representation for the least represented gender on the Board, and drawing up guidelines on how to achieve this objective; c) Submitting to the Board of Directors proposals for the appointment of independent directors for their nomination by co-option or for their submission to the Annual General Meeting decision, in addition to proposals for the re-election or dismissal of said directors by the Annual General Meeting; d) Informing of any proposals for appointment of all other directors for nomination by co-option or for their submission to the Annual General Meeting's decision, in addition to proposals for the re-election ore dismissal of said directors by the Annual General Meeting; e) Proposing to the Board the members that must form part of each Committee; f) Reporting the proposals for appointment and removal of senior executives and the basic conditions of their contracts; g) Examining and organising the succession of the chairman of the Board of Directors and the Company's chief executive and, if necessary, submitting proposals to the Board of Directors for such succession to occur in an orderly and planned manner; h) Proposing to the Board of Directors the remuneration policy for directors and general managers or those who carry out their senior management functions reporting directly to the Board, Executive Committees or Chief Executive Officers, as well as the individual remuneration and other contractual conditions of executive directors and the criteria for the rest of the Group's senior management, ensuring that they are observed; i) Reviewing, periodically, the remuneration programmes, assessing their suitability and performance; j) Monitoring remuneration transparency; k) Reporting on transactions that give rise or may give rise to a conflict of interest and, in general, on the matters included in chapter IX of these Regulations; l) Considering suggestions made to the chairman by members of the Board, senior executives or the Company's shareholders; ll) Reporting to the plenary session of the Board on the proposal of appointment and removal of the Board of Directors' Secretary and Deputy Secretary; m) Reporting, annually, to the plenary session of the Board on the evaluation of the chairman of the Board's performance; n) Evaluating and reviewing, periodically, the Company's environmental and social performance with a view to reviewing the effectiveness of the sustainability policy, and compliance with related objectives, reporting annually to the Board on the implementation and monitoring of that policy in the Group; o) Reviewing the regulations and practices of the Company relating to corporate governance, by proposing any amendments it deems appropriate so that they are in line with the standards, recommendations and best practices in this matter; p) Reviewing, periodically, the remuneration policy applied to directors and senior executives, including share-based remuneration schemes and their implementation, as well as ensuring that individual remuneration is proportionate to amounts paid to other of the Company's directors and senior executives; q) Overseeing that any conflicts of interest do not damage the independence of external advice provided to the Committee; and r) Verifying the information on director and senior executive remuneration contained in the various corporate documents, including the Annual Report on Director Remuneration. 3. The Nomination and Remuneration Committee shall meet whenever the Board or its chairman requests that a report be issued or a proposal be adopted and, in any case, whenever it is deemed necessary for the proper performance of its functions. In any case, it shall meet to draw up the specific report on the Company's proposed remuneration policy to be submitted to the General Meeting. Independently of this, it shall meet at least three times a year. One of these meetings shall be devoted to determining the director remuneration that the Board of Directors must approve by implementing the Company's remuneration policy, and preparing the information to be included in the annual public documentation. It will be convened by the chairman, who must call the meeting at the behest of the chairman of the Board of Directors or of any member of the Committee itself. 4. The Committee shall appoint a chairman from among its members who must be an independent director. In the absence of the chairman, the oldest independent director shall chair the meeting. The secretary of the Board of Directors, and in his or her absence the deputy secretary of the Board of Directors, will act as secretary. Minutes shall be taken of the resolutions adopted at each meeting, which shall be reported to the Board in plenary session. 5. Any member of the management team or of the Company's personnel who is required to do so shall be obliged to attend the meetings of the Committee and to cooperate with it and provide it with the information available to that member. The Committee may also request the auditor's attendance at the meetings. 6. To better discharge its functions, the Nomination and Remuneration Committee may seek the advice of external professionals, to which end the provisions of Article 26 of these Regulations shall apply".

MAIN ACTIONS IN 2022:

- Reporting favourably on the ratification and appointment of proprietary directors to the Board of Directors, understanding that they meet the profile and skills required to discharge their office, evaluating and reporting favourably on their suitability.

- Submitting a proposal to the Board of Directors on the appointment of an independent director and reported favourable on the director's suitability to the General Shareholders' Meeting.
- Reviewing the factors for distributing the maximum annual remuneration approved by the General Meeting for external directors, and reporting favourably on a new distribution scheme for 2022 and subsequent periods.
- Reporting favourably to the Board of Directors on the proposed amendment of the Director Remuneration Policy, which was subsequently approved at the Annual General Meeting held on 2 June 2022.
- Analysing and reporting to the Board of Directors the proposal for the Chief Executive Officer's variable remuneration, assessing, where applicable, achievement of objectives and criteria.
- Reporting favourably to the Board of Directors about the 2020 Annual Remuneration on Director Remuneration Report, verifying that the current Remuneration Policy was applied correctly.
- Analysing and reporting to the Board of Directors on the variable remuneration accrued and the proposed remuneration scheme of OHLA Group senior executives.
- Analysing the degree of compliance with global reporting initiative (GRI) sustainability standards and approved measures to enhance and standardise how this information is monitored and reported in all countries where the Group has operations, and reported favourable on the non-financial information to the Board of Directors for its approval and authorisation for issue of the Group's consolidated management report.
- Reporting favourably on the proposed amendments to the Board Regulations.
- Performing the Committee’s annual self-assessment.
- Approving the Committee's annual activity report.

E.3 INDICATE THE MAIN RISKS THAT MAY AFFECT THE ACHIEVEMENT OF BUSINESS OBJECTIVES.

The main risks that could affect the achievement of OHLA's objectives are as follows:

• Financial risks: These are risks associated mainly with the Group's ability to raise the necessary financing when required and at a reasonable cost, and to maximise its available financial resources. The most important are interest rate, exchange rate, credit and liquidity risks. It also includes risks related to obligations assumed with noteholders and financial institutions.

• Personnel risk: Personnel risk relates to the organisation's ability to attract the right people and to detect, retain, develop and utilise internal talent in the right way and at the right time. OHLA Group is designing new retention and incentive packages and targeting digital talent to streamline processes and data analytics.

• Price volatility and resource scarcity risks: OHLA Group is exposed to the risk of 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.
Governments in many countries (e.g. Spain, the Czech Republic) have started adding price-review formulae into their public contracting laws (something that is already commonplace in countries with high inflation), which help partially temper the situation. However, they cannot be applied to all contract costs or from contract inception. This means particular care must be taken with contingent items included in projects and cost estimates for long-term projects.
Nevertheless, these risks, which materialised globally in 2021 and 2022, can possibly continue or heighten in the current geopolitical landscape and because of expansionary public works policies in certain geographies.

• Project risk: Project risk management aims to ensure fulfilment of project obligations regarding scope, deadlines, margin and safety, and, in general, all contractual obligations. Therefore, events or situations that could jeopardise projects are Identifying before they occur and assessed appropriately, from identifying of the opportunity and the tendering stage, so that mitigation measures can be implemented early.

• Geopolitical and market risks: Political unrest or changes in the legal and regulatory environment in countries where OHLA operates can have significant impacts on the Company's ability to achieve its business objectives. Therefore, OHLA Group monitors country risk closely in its home markets as well as areas into which it might expand.
Nevertheless, the current geopolitical landscape gives rise to myriad uncertainties with global impact, not to mention situations that may already be occurring in geographies where OHLA operates. The likely global trend towards a new division into opposing blocs points to highly volatile interest and exchange rates, rampant inflation and potential global supply chain disruptions, along with increasing unrest and social polarisation. All this can result in a shortage, or increase in the price, of certain materials (affecting expected returns and the ability to meet delivery deadlines) and investor appetite in certain geographies.

• Image and reputational risk: OHLA has an unwavering commitment to abiding by the law and complying with the leading standards in codes of conduct, which has led to considerable and meaningful improvement in its image and reputation. The objective is to minimise the possibility of inappropriate actions by employees and properly manage the risk that lax management, a smear campaign or manipulation of information by the media, lobbyists, former employees or other stakeholders will hurt the Group's image irrespective of whether the allegations are consistent with any wrongdoing by the organisation.

• Systems and cybersecurity risk: Market and business trends, with continuous and rapid changes, require systems that enable the Group to obtain the information it needs and be able to analyse it quickly and adapt accordingly. This, in turn, requires working with agile methodologies that minimise the time needed to adapt systems or implement new functionalities.

Meanwhile, OHLA, like any other company, is exposed to the widespread increase in the risk of cybercrimes and potential misuse of sensitive data, which would comprise the security and the operations of the Company's assets and the ordinary course of business, and cause leaks of sensitive information.

• Litigation and arbitration risk: One current industry trend is the increase in litigation. Therefore, there is a risk that more lawsuits and arbitration proceedings will arise, along with the associated costs, and that the outcome due to disputes with customers or suppliers will go against OHLA's interests. Therefore, OHLA is still committed to reinforcing its contract management prowess.

• Risk of measurement of assets and liabilities in the statement of financial position: understood as the risk of a decrease in the value of assets or an increase in the value of liabilities.

Other risks that might affect the achievement of the Company's objectives are as follows:

• Risk of climate change and natural disasters: It is fair to say that there are two types of climate change risks that impact the achievement of OHLA's objectives:
- Physical risks, which are those arising from the increasing severity and frequency of extreme weather events or from a gradual and long-term change in the Earth's climate. These risks can affect businesses directly through damage to assets or infrastructure, or indirectly by disrupting their operations or making their activities no longer viable.
- Transition risks, meaning those risks associated with the transition to a low-carbon economy in response to climate change, arising from changes in legislation, the market, or consumers, among others, to mitigate and address the requirements of climate change.

E.5 INDICATE WHICH RISKS HAVE MATERIALISED DURING THE YEAR.

The main risks in 2022 were:

1. Liquidity risk.

In June 2021, the Group underwent a major financial structuring, the key milestones of which were:

i. The capital reduction in Obrascón Huarte Lain, S.A. 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 of Obrascón Huarte Lain, S.A. At the same time, via OHL Operaciones S.A.U., a subsidiary of Obrascón Huarte Lain S.A., it 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.

This considerably changed the Group's liquidity, which in addition was further strengthened by:

• Disposals of several subsidiaries in 2021 (Old War Office Project; new Hospital de Toledo, S.A. and Mantohledo S.A.U.; and Sociedad Concesionaria Aguas de Navarra , S.A. and its operator), with part of the sales price received up front and the remainder collected in 2022 under the terms of the purchase and sale agreements.
• Renewal of the guarantee facilities of the Multiproduct Syndicated Facilities Agreement (MSF) and a CESCE guarantee facility, whose maturity was extended in 2022 to 30 June 2023.
• Amounts received from Cercanías Móstoles Navalcarnero, S.A. in 2021 and January 2022 after settlement of payments by the Madrid regional government for different reasons related to the main construction projects, which went primarily to repay borrowings (see Note 4.2 of the consolidated financial statements and Note 9.7 of the separate financial statements).

As a result, the Group's liquidity position as at 31 December 2022, comprising cash and cash equivalents and current financial assets, stood at EUR 701,687 thousand (2021: EUR 842,236 thousand), broken down as follows:

- Cash and cash equivalents of EUR 469,311 thousand (2021: EUR 507,455 thousand), which included EUR 185,796 thousand related to the Group's interests in temporary business associations or joint ventures (UTEs) (2021: EUR 147,543 thousand). There is also restricted cash amounting to EUR 2,934 thousand related to other guarantees (2021: EUR 7,990 thousand).
- Current financial assets of EUR 232,376 thousand (2021: EUR 334,781 thousand), which include restricted assets pledged as security for EUR 176,237 thousand, the main item of which is a deposit for EUR 140,000 thousand as collateral for the MSF (2021: EUR 140,000 thousand) and EUR 43,885 thousand of performance bonds for certain projects being carried out in the US (2021: EUR 50,830 thousand).

The Group also has drawable credit lines and discount facilities amounting to EUR 41,245 thousand (2021: EUR 27,051 thousand), featuring the Judlau Contracting , Inc credit line with a limit of EUR 84,380 thousand and a sub-limit of EUR 42,190 thousand guarantees signed on 28 June 2022.

On 8 March 2022, ratings agency Moody's upgraded OHLA's corporate family rating (CFR) to B3, outlook positive, from Caa1, and the notes issued by OHL Operaciones , S.A.U. from Caa2 to B3. This illustrates the improvement described above.

However, even with the Company's improved solvency, it has yet to recover the working capital financing instruments needed to run the business properly.

Against this backdrop, the Group's directors are monitoring the liquidity position, focusing especially on cash flow generation from the businesses and improvement of working capital. They estimate that profitability levels can be recovered and that liquidity can increase.

The 2023 business plan includes aspects that could give rise to uncertainties regarding its execution and, therefore, result in deviations (e.g. lower-than-expected order intake, unexpected working capital shortfalls, large amount of restricted cash). The main one is the impact of the ongoing conflict in Europe, which could jeopardise the fledgling recovery by the global economy, affected by high inflation and burgeoning commodity prices, as well as occasional liquidity stress due to the seasonality of the business, which could have a serious impact on OHLA Group's forecasts for 2023.

Specifically, to mitigate the liquidity stress of the business, Group management is working with banks to secure the release of part of its restricted cash and/or obtain temporary financing, so that it will have sufficient coverage to ensure the Group's liquidity. On this front, the Parent's directors are confident that it will overcome the liquidity pressures and continue executing the business plan, enabling the Group to continue its operations and settle its obligations, strengthening both its equity and financial position.

2. Risk of measurement of assets and liabilities in the statement of financial position.

The Group held an ownership interest of 50.0% in the Canalejas project at 31 December 2022, with a carrying amount of EUR 127,596 thousand. It also held a receivable for the subordinated debt of EUR 54,234 thousand recognised as a non-financial asset under other loans.

In 2022, it recognised a write-down to the value of the investment of EUR 34,485 thousand based on an estimate of cash the flow expected to be received in accordance with the project's economic model considering the agreements entered into with the other shareholder.

The model's assumptions were updated taking into account the Covid-19 impact due to mobility restrictions, mostly in Asia; the new macroeconomic scenario of high inflation rates; hikes in interest rates; and the negative trend of the dire Russia-Ukraine war and its impact on commodity price inflation and, more importantly, energy price inflation.

In determining the value in use of the Group's interest in the Canalejas Project, a discounted cash the flow model was used for the various uses of the asset (mainly hotel and shopping centre), with the complex set to reach the growth and stabilisation stage in 2025 for the hotel and car park and 2026 for the shopping centre, and then obtaining a residual value based on the capitalisation of rents.

As for the shopping centre, there were delays in marketing in the first floor and in opening of some premises. Occupancy of gross leasable area (GLA) is expected to reach maximum levels in the first half of 2024, considering structural vacancies, with rents measured in €/m2/month in line with prime areas in Madrid where the asset is located. Nominal cash the flow were discounted at a rate of 7%, in line with the levels required by equity and debt creditors.

The higher investments and costs incurred, coupled with the project's lower profitability due mostly to the delay in the marketing of the shopping centre, made it necessary to recognise this write-down.

Nevertheless, the mid-term outlook is for a decrease in the uncertainties surrounding the post-pandemic years. International luxury hotel assets in Madrid (Four Seasons, Mandarin Ritz, Santo Mauro, The Madrid Edition) are setting up along the Gran Vía-Canalejas-Alcalá axis. Joining them in 2023 are hotels such as JW Marriot, Zorrilla 19, Nobu Madrid, and Brach. This competition should revitalise this axis and cement its Madrid's status as a luxury tourist destination and one the world's leading capital cities for international luxury retail.

F.1.2 B) CODE OF CONDUCT, THE BODY APPROVING THIS, DEGREE OF DISSEMINATION AND INSTRUCTION, PRINCIPLES AND VALUES COVERED (STATING WHETHER THERE IS SPECIFIC MENTION OF RECORD KEEPING AND PREPARATION OF FINANCIAL INFORMATION), BODY CHARGED WITH ANALYSING BREACHES AND PROPOSING CORRECTIVE ACTIONS AND SANCTIONS.

CODE OF CONDUCT, APPROVING BODY AND DATE OF UPDATE:

OHLA Group has a Code of Ethics approved by the Board of Directors that expressly states its values, principles and conduct guidelines that must guide the professional behaviour of everyone in the Group.

The Code applies to all members of the Board of Directors, executive staff and all Group employees.

It will remain in force until the Board of Directors decides not to approve its update, review or repeal.

Any alleged breach of the Code shall be investigated and could result in legal or disciplinary proceedings.

ANTI-CORRUPTION POLICY, CRIME PREVENTION POLICY AND ANTITRUST COMPLIANCE POLICY:

OHLA Group has a compliance system designed to prevent, detect and effectively combat crimes within the organisation. This system undergoes constant updating so it is adapted to organisational and legislative changes. Since 2019, it has been subject to annual external audits of its ISO 37001 Anti-corruption Management System and UNE 19601 Criminal Compliance Management System certifications. In 2022, the Group's compliance system obtained both certifications by a new certification body.

As a show of the commitment enshrined in the Code of Ethics to combat corruption and bribery anywhere in the world, the Group has an Anti-corruption Policy that applies to all OHLA people and articulates its zero tolerance stance on corruption in any form.

OHLA Group also has an Antitrust programme designed in accordance with the requirements of the guidelines issued by the Spanish National Markets and Competition Commission (Comisión Nacional de los Mercados y la Competencia or CNMC), the core principle of which is the Antitrust Compliance Policy. This policy reinforces OHLA's firm commitment to ensuring free competition in the marketplace and that all its personnel abide by constitutional principles, laws and other regulations of competition law.

PRINCIPLE ON INFORMATION TRANSPARENCY AND ACCURACY:

The Code of Ethics is the main channel for developing the Group's corporate values:

- Professional ethics, integrity, honesty, loyalty, effectiveness and responsibility vis-à-vis our stakeholders, in all actions of the Group, while strictly abiding by the law.
- Will to succeed and continuous improvement in professional performance, while striving at all times for excellence.
- Transparency in the dissemination of information, which must be adequate, accurate, verifiable and complete.
- Creation of value with a permanent quest for sustainable profitability and growth.
- Constant promotion of committed quality, innovation, safety and respect for the environment.

Based on the core principle of behaviour required of all the Group's personnel of respect for the law, a key guideline of conduct in the relationship with the market is information transparency and accuracy.

In this vein, the Code of Ethics specifies that: "OHLA undertakes to transmit complete and truthful information on Group companies that allows shareholders, analysts and other stakeholders to reach an objective opinion on the Group. Similarly, OHLA undertakes to cooperate with the supervisory or inspection bodies or entities in any way it may be required to facilitate administrative oversight. The Group's employees shall ensure that all financially significant transactions carried out on the Company's behalf are included clearly and accurately in the appropriate accounting records, so as to present fairly the transactions carried out. Accounting principles and standards must be followed strictly, preparing complete and accurate financial reports. Suitable internal procedures and controls must be implemented to ensure that financial and accounting reporting complies with the law, regulations and the requirements arising from the Group's listing on the stock markets. Any conduct aimed at avoiding tax obligations or obtaining profit at the expense of the tax authorities, the social security system or similar bodies is expressly forbidden."

AUDIT AND COMPLIANCE COMMITTEE:

Article 23 f.10) of Obrascón Huarte Lain, S.A.'s Bylaws include as a responsibility of the Audit and Compliance Committee: "Examine compliance with the Internal Rules of Conduct in Securities Markets, the Regulations of the Board of Directors, the Regulations of the General Shareholders' Meeting, the Code of Ethics of OHLA Group and, in general, the Company's rules of governance, and make the required proposals for improving them."

The Group's Code of Ethics itself states that "any doubt, criticism or suggestion aimed at improvement must be made known to the Audit and Compliance Committee, which is the competent body for ensuring compliance with the Code and to promote both its dissemination and specific training for its correct application".

CORPORATE COMPLIANCE DEPARTMENT:

Given its importance, it should be noted that the Company has had a Corporate Compliance Department since 2013, created pursuant to an agreement by the Board of Directors of Obrascón Huarte Lain, S.A. based on a recommendation by the Audit and Compliance Committee. This department falls under the Secretary of the Board of Directors and reports to the Audit and Compliance Committee.

The main functions of this department, according to its Basic Functions Handbook, are as follows:

• Identifying legal risks, especially those that arise from the criminal liability of legal persons or entail reputational risks or infringe on free market competition.

• Promoting implementation of the processes necessary to avoid legal breaches related to criminal or reputational, or antitrust risks, and minimising the cases of criminal liability at the Company, thereby actively contributing to preventing, detecting and stopping criminal or anti-competitive behaviour.

• Promoting a clear organisational culture, shared by all Group employees at all levels, that helps avoid conduct that could give rise to any criminal liability or anti-competitive sanctions on the Company, its executives and directors.

• Overseeing the correct application of the Crime Prevention and Antitrust compliance programme.

• Establishing, in an objective and demonstrable manner, control and oversight measures aimed at avoiding this conduct by employees, at all levels, and proposing the disciplinary measures that would be taken if this conduct were to take place.

• Ensuring that there is a Set of Rules, Policies and Regulations that reasonably guarantee the reliability of the financial information, and compliance with the laws, regulations and policies that apply to the Group.

• Informing, periodically, the Secretary of the Board and the Audit Committee on execution of the Annual Action Plan with regard to its management and the actions carried out in the areas of Crime Prevention and Antitrust.

• Establishing measures to prevent criminal acts in the following areas:

- Anti-corruption: crimes of private corruption, bribery and corruption in international trade transactions.
- Antitrust: any act that infringes on free market competition, by disseminating the values and principles of the Compliance Policy and Guidelines regarding competition and, therefore, the Antitrust Compliance Programme.
- Cybercrimes: hacking crimes, disclosure of trade secrets and similar offences.
- Control over the preparation of financial information: investor fraud crimes.
- Market abuse and share price manipulation.
- Non-compliance with Spain's Personal Data Protection Law (Ley Orgánica de Protección de Datos or "LOPD") and the privacy protection regulations.
- Anti-money laundering.
- Fraud to obtain government grants and aid.
- Offences against natural resources and the environment.
- Workplace harassment.

• Enforcing the Code of Ethics and proposing modifications to adapt to amendments to the legal framework prevailing at any given time, ensuring the dissemination and awareness of the Code within the Group.

• Proposing the approval of the internal regulations implementing the Code of Ethics, which include a disciplinary system for breaches.

• Processing complaints received via the Ethics Channel.

• Promoting and overseeing activities to raise awareness about the Code of Ethics and understanding the Group's crime prevention and antitrust control system.

COMMUNICATION, DISTRIBUTION AND TRAINING PLAN ON THE CODE OF ETHICS, THE ANTI-CORRUPTION POLICY, THE CRIME PREVENTION POLICY AND THE ANTITRUST COMPLIANCE POLICY:

Everyone at OHLA Group must know and understand the content of the Code of Ethics. To promote knowledge of the Code, the Group carries out a variety of communication, training and dissemination initiatives.

The main initiatives include:

- Making the Code of Ethics available on the corporate Intranet and OHLA Group's website (path: https://www.ohla-group.com/en/ethics-and- integrity-2/ethics-and-integrity-policies/) in Spanish and English.
- Including an additional clause in work contracts requiring knowledge of, understanding and compliance with the Code of Ethics, the Anti-corruption Policy, the Crime Prevention Policy and the Antitrust Compliance Policy.
- Designing specific training and communication actions for all Group personnel.
- Disclosing the Code to relevant third parties: commercial agreements between OHLA Group and third parties include clauses mentioning the existence of OHLA Group's Code of Ethics, Anti-Corruption Policy, Crime Prevention Policy and Antitrust Compliance Policy and the obligation to comply with them in the provision of services to OHLA Group.

Training on the Code of Ethics, Anti-Corruption Policy, Crime Prevention Policy and Antitrust Compliance Policy is compulsory. Therefore, specific training was provided in 2022 through the OHLA School on:

• Code of Ethics and Anti-corruption Policy (CEAP): a total of 1,030 employees received training.
• Crime Prevention System (CPS): a total of 193 employees received training.
• Antitrust: a total of 79 employees received training.

The Corporate Resources Department is responsible for distributing and raising awareness about the Code of Ethics, the Anti-Corruption Policy, the Crime Prevention Policy and the Antitrust Compliance Policy, while the Group's Internal Audit Department is tasked with oversight.

Following a multi-year rotation plan, the Audit Committee receives a report from OHLA Group's Internal Audit Department on degree of dissemination and training on the Code of Ethics, the Anti-corruption Policy, the Crime Prevention Policy and the Antitrust Compliance Policy.

F.2. ASSESSMENT OF RISKS IN FINANCIAL REPORTING.
F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:
Whether the process exists and is documented.
Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.
The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.
Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) to the extent that they affect the financial statements.
The governing body within the company that supervises the process.

The strategic objectives regarding risk management and control are geared towards:

- Delivering the Group's strategic and operating objectives.
- Protecting the Group's reputation, safeguarding its legal certainty and ensuring its sustainability.
- Protecting the security of shareholders' equity.
- Mitigating the occurrence of irregularities in relation to the Code of Ethics and fraud in general.
- Protecting the interests of other stakeholders in the organisation's performance.
- Enhancing 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 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 Risk Control and Management Policy. They must also know the established tolerance limits.

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.

Documentation of the processes that may materially affect financial reporting is subject to ongoing monitoring and improvement.

An important part of this monitoring and improvement process is updating the scope of the Internal Control over Financial Reporting System (ICFR system) to determine, within the Group, the relevant companies, and also to identify the significant operating or support processes for such companies and their associated risks. All of this is based on the materiality and risk factors inherent to each division.

This scope is determined based on qualitative and quantitative materiality criteria to identify relevant areas and critical processes with a significant impact on financial reporting, relevant items of the financial statements and of financial information in general, and the most significant transactions, as well as material companies, considering the existing degree of centralisation/decentralisation.

Based on the scope determined at any given time and on the processes involved in generating financial information, risks that may affect the information are identified, covering all financial reporting objectives (existence and occurrence; completeness; valuation; rights and obligations; and submission and reporting) and taking into account the various risk categories described previously to the extent that they affect financial reporting.

The scope of the ICFR system is reviewed at least annually before the financial reporting schedule of subsidiaries is determined, and whenever a new company with a significant impact is included or excluded from the Group's scope of consolidation. In this regard, the Group has a scope of consolidation identification process, whereby the Group's Corporate Economic and Administrative Division updates the scope considering notifications of changes received based on the defined procedure. In 2022, three new companies were included within the scope of the ICFR system.

The Group's General Economic and Financial Department is responsible for maintaining the scope and financial information risk identification process, and is also charged with informing external and internal audit of any changes in the scope.

F.5.1. THE ACTIVITIES OF THE AUDIT COMMITTEE IN OVERSEEING ICFR AS WELL AS WHETHER THERE IS AN INTERNAL AUDIT FUNCTION ONE OF THE RESPONSIBILITIES OF WHICH IS TO PROVIDE SUPPORT TO THE COMMITTEE IN ITS TASK OF SUPERVISING THE INTERNAL CONTROL SYSTEM, INCLUDING, ICFR. ADDITIONALLY, DESCRIBE THE SCOPE OF ICFR ASSESSMENT MADE

DURING THE YEAR AND THE PROCEDURE THROUGH WHICH THE PERSON RESPONSIBLE PREPARES THE ASSESSMENT REPORTS ON ITS RESULTS, WHETHER THE COMPANY HAS AN ACTION PLAN DESCRIBING POSSIBLE CORRECTIVE MEASURES, AND WHETHER ITS IMPACT ON FINANCIAL REPORTING IS CONSIDERED.

INTERNAL AUDIT DEPARTMENT:

The Board of Directors instigated the creation of the Group's Internal Audit Department. The aim was to have an independent and objective assurance, internal control and consultation service that supported the organisation in effectively discharging its responsibilities, executing its strategy and achieving its objectives.

The Internal Audit Department is part of OHLA Group's organisation, but not an executive body. It operates in accordance with the policies established by the Board of Directors through its Audit and Compliance Committee.

The Internal Audit Department reports to the Audit and Compliance Committee and its basic functions, as outlined in the Internal Audit Charter, are as follows:
• Reviewing the accuracy, reliability, quality and completeness of the records and financial, operational and sustainability reporting. This entailed checking the reliability and effectiveness of the internal control and risk management systems and related processes, and, in particular, reviewing the IFRC system and the adequacy of the controls in place.
• Providing information to the Board of Directors, through the Audit Committee, to facilitate its potential assessment regarding the adequate and efficient use of the Group's resources.
• Overseeing that risk management is aligned with OHLA Group's policies and Code of Ethics.
• Verifying the existence and status of assets and checking that the measures to protect their integrity are suitable.
• Verifying that rules, procedures and processes are in place to govern the main activities appropriately and allow for the correct measurement of their economy and efficiency.
• Assessing the degree of compliance with the rules, instructions and procedures established within the Group. This includes verifying compliance with relevant legislation and, specifically, the correct operation of compliance systems in place within the organisation, e.g. the crime prevention system, the anti-corruption system and the antitrust programme.
• Proposing the implementation, amendments, reviews or adaptations of processes and internal regulations that are necessary to improve operations.
• Reviewing OHLA Group's newly issued internal regulations or their amendments before their definitive approval.
• Maintaining coordinated relationships with the work performed by the external auditor as a complementary, and not a subsidiary or substitute, activity.
• Issuing recommendations to help correct anomalies or shortcomings detected in the course of the work and monitoring their implementation.
• Preparing and presenting the proposed Annual Internal Audit Plan and the internal audit activity report to the Audit and Compliance Committee.
• Performing any specific task entrusted to it by the Audit Committee.
• Keeping an up-to-date inventory of fraud risks and the associated controls and testing the effectiveness of those controls on a rotating annual review basis.
• Conducting and coordinating investigations into potential irregularities reported through the Ethics Channel or uncovered during audits.
• Attending as a guest to various internal Group committees' meetings to learn about the activities performed, monitoring recommendations and contributing value.

All these functions are discharged exclusively by the members of the Internal Audit Department and not combined with other duties.

RISK AND INTERNAL CONTROL DEPARTMENT:

The Group has a Risk and Internal Control Department, which reports to the Audit and Compliance Committee, to promote risk and internal control management. Its main functions are as follows:

• Coordinating, guiding and supporting the strategic, operational, organisational and regulatory actions related to risk management across the entire Group.
• Assisting the Board of Directors and defining the Group's risk appetite in its various categories and articulate it in the appropriate rules and procedures.
• Laying down the methodologies and tools for preparing the Group's annual risk map and, through its preparation and updating, leading the process for identifying and assessing the risks to which OHLA is exposed in carrying out its operations.
• Establishing the procedures, methodologies and tools to enable the first line to act at any given time in accordance with the level of risk appetite determined, offering the necessary support and overseeing their operation. This implies:
- Drawing up, implementing and updating, in conjunction with the various areas, the risk management procedures considered appropriate within the Group for the operational management of its risks based on the best market standards.
- Performing ad hoc oversight of the analyses carried out by the various areas of the level of risk exposure associated with transactions identified as significant or exception, then preparing the appropriate reports on OHLA's risk position to be reported to the Chief Executive Officer, the Audit and Compliance Committee and/or the Board of Directors of OHLA.
- Preparing action proposals that reduce the level of, or exposure to, certain types of risks and minimise their impact.
- Providing the necessary tools and methodologies for controlling and managing project and operational risks, and carrying out training and awareness initiatives within the Group about risk management policies.
- Attending guarantee, procurement and investment committee meetings to ensure that the risk tolerance levels approved by the Group's Board of Directors are not breached.

- Proposing, disseminating, distributing and keeping up to date OHLA Group's 'red lines'.
- Making available the necessary tools and methodology for conducting third-party due diligence (TPDD) to assess the risks the Group facing in its relationships with third parties (e.g. customers, partners and suppliers/subcontractors).
- Classifying regularly the country risk used by the Group as a reference for carrying out its operations and preparing related reports.
• Preparing, documenting and maintaining the Internal Control System, compliance with which by OHLA's various business areas ensures mitigation of the risks inherent to operating and financial and non-financial reporting processes, and ensuring its continuous improvement.
• Periodically reporting to the Secretary of the Board and the Audit and Compliance Committee on execution of the Annual Action Plan with regard to its management and on the main risks identified and the monitoring of the mitigation measures put in place.

ACTIVITIES OF THE AUDIT AND COMPLIANCE COMMITTEE IN 2022:

The Audit and Compliance Committee's main function is to serve as support to the Board of Directors in overseeing and supervising the functioning of the Group. Its main duties are to: (i) Oversee, periodically, the financial information preparation and presentation process; (ii) Oversee the effectiveness of internal control, internal audit services and the risk management systems; and (iii) Guarantee the external auditor's independence and ascertain its opinion on the significant weaknesses of the internal control system.

The Audit and Compliance Committee reviews all public financial information submitted by the Group to the CNMV before its approval by the Board of Directors and after publication and gathers all the explanations it deems fit from the Group's General Economic and Financial Department or from any other responsible party.

At its meetings, it reviews all the reports issued by the Internal Audit Department on the Group's subsidiaries regarding projects executed directly or with non-controlling interests, on investigations of potential irregularities and fraud, and on compliance with internal regulations and any other issue covered by the Annual Internal Audit Plan or requested by the Committee. It also receives and reviews reports issued by the Risk and Internal Control Department on the main weaknesses identified and the proposed recommendations.

The content of the Internal Audit Department's Annual Plan, which is approved annually by the Audit and Compliance Committee, is defined based on OHLA Group's general and specific objectives and the risks that may threaten achievement of those objectives, prioritising matters that require particular attention in each functional area. Therefore, it includes a selection from each area of processes or activities that:

• Are a priority in the Group's strategy and risk management.
• Are associated with the possible existence of contingencies or serious breaches for the Group.
• Have previously given rise to a particular problem or indicate a potential anomaly.
• Form part of significant changes in the year or are newly implemented.
• Have not been audited within a reasonable period of time.
• Are of interest to the Group's Board of Directors or management.

In planning its activities, Internal Audit pays special attention to the Risk Map, considering the possible impact of those risks on the processes.

In 2022, audits were performed in the various divisions covering the following processes:

• Construction work and industrial projects and services
• Obtainment of indicators and alerts on specific parameters
• On-site purchases
• Claims and litigation with customers and suppliers
• Procedures and policies in Pacadar
• Pacadar's statement of financial position
• Achievements of variable remuneration targets
• Customer service arrangements
• Internal Control over Financial Reporting (ICFR) system
• Anti-corruption Management System
• Antitrust System
• Crime Prevention System
• Anti-Money Laundering System
• Use of DBEs in the US
• Review of internal rules and regulations

Although organisation-wide work was also performed in several additional geographical areas, the review of construction/services/ projects was performed in the following countries: USA, Czech Republic, Chile, Spain, Colombia, Peru and Sweden.

As for oversight the ICFR system in accordance with the multi-year rotation plan, in 2022 the implementation and effectiveness of controls was audited through the review of a sample of controls at companies representing the majority of the Group's revenue. No deficiencies were detected as a result of the work by Internal Audit. Internal Audit, which has a specialised fraud prevention and investigation unit, also performed actions in this area on an ongoing basis throughout the year.

In 2022, work continued to verify compliance with human rights matters and support for the significant environmental parameters used by the Group in sustainability-related reports.

For all the weaknesses described in the reports prepared, the appropriate corrective measures were taken. Significant recommendations are regularly monitored at Management Committee meetings.

The actions taken are included in the Annual Internal Audit Report submitted to the Audit and Compliance Committee.

Internal Audit also oversees the implementation of any new internal policy or regulation, as well as any amendment to existing regulations or policies, ensuring consistency and compliance with policies established by management and the Board of Directors.

The Audit and Compliance Committee promotes improvement of the risk management system, which is one of OHLA's top priorities. Therefore, in 2022, the Corporate Internal Risk and Control Department made inroads in several lines of action, including:

• Reviewing and drafting standards and procedures to reinforce control over the life cycle of projects, by standardising their management, and of risks in the Company's operating process, by unifying criteria, approaches and tools among all areas involved.
• Laying the foundations for easier and more effective monitoring of ongoing projects.
• Preparing the centralised information repository environment to enhance business intelligence and allow adequate data analytics to identify underlying risks and detect trends that could result in an early warning system to enhance control and management of the Group's risks.
• Updating the risk map.
• Permanently updating the country risk model.

In 2023, OHLA will continue to assess the risks and opportunities it faces, proactively taking the necessary steps to mitigate their impact and/or probability of occurrence and implementing an early warning system to enhance the control and management of the Group's risks. It will be committed to data analytics to assist the Company's strategic decision-making based on historical data and future forecasts.

ADHERENCE TO THE CODE OF GOOD TAX PRACTICES.
The Company hereby states that by resolution of the Board of Directors on 12 May 2015, OHL Group adopted the Spanish Code of Good Tax Practices with the Spanish Ministry of Economy and Finance, and endorses those principles.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on:

28/03/2022

Indicate whether any director voted against or abstained from approving this report.

[ ] Yes
[√] No

Auditor's Report on the "Information relating to the system of Internal Control over Financial Reporting (ICFR)" of OBRASCÓN HUARTE LAIN, S.A. for 2022

(Free translation from the original in Spanish)

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AUDITOR'S REPORT ON THE "INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

To the directors of Obrascón Huarte Lain, S.A.

At the request of the Board of Directors of Obrascón Huarte Lain, S.A. (the "Entity") and in accordance with our proposal dated 23 January 2023, we have applied certain procedures to the accompanying "ICFR-related information" of Obrascón Huarte Lain, S.A. for 2022, which summarises the Entity's internal control procedures in respect of its annual financial reporting.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system, and for making improvements to that system, and preparing and establishing the content of the accompanying ICFR-related information.

It should be noted that irrespective of the quality of the design and effectiveness of the internal control system adopted by the Entity in relation to its annual financial reporting, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our financial statement audit work and in keeping with Spain's Technical Auditing Standards, the sole purpose of our assessment of the Entity's internal control system was to establish the scope, nature, and timing of the Entity's financial statement audit procedures. Accordingly, our internal control assessment, performed in connection with the financial statement audit, was not sufficiently broad in scope to enable us to issue a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting in Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to the Entity's annual financial reporting for 2022 described in the accompanying ICFR-related information. As a result, had we applied additional procedures to those established by the Guidelines mentioned above or had we performed an audit or a review of the internal control over regulated annual financial reporting, other matters might have been come to our attention that would have been reported to you.

Furthermore, since this special engagement neither constitutes a financial statement audit nor is it subject to prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for in those regulations.

The procedures performed were as follows:

1. Reading and understanding the ICFR-related information prepared by the Entity – disclosures included in the Management Report – and assessing whether such information addresses all the reporting requirements following the minimum content detailed in section F relating to the description of the ICFR system in the Annual Corporate Governance Report template established in CNMV Circular 5/2013 of 12 June 2013, and subsequent amendments, the most recent of which is CNMV Circular 3/2021, of 28 September (the "CNMV Circulars").

2. Making inquiries of personnel responsible for preparing the information detailed in point 1 above to: (i) obtain an understanding of the process following in its preparation; (ii) obtain information that allows us to assess whether the terminology used is adapted to the reference framework definitions; and (iii) obtain information on whether the control procedures described are in place and in use by the Entity.

3. Reviewing the explanatory documentation supporting the information detailed in point 1 above, including primarily documents directly made available to those responsible for describing the ICFR system. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit and Compliance Committee.

4. Comparing the information detailed in point 1 above with our knowledge of the Entity's ICFR system obtained through the procedures applied during our audit of the annual financial statements.

5. Reading the minutes of the meetings of the Board of Directors, the Audit and Compliance Committee, and other Entity committees to evaluate the consistency between the ICFR system matters addressed and the information detailed in point 1 above.

6. Obtaining a representation letter in connection with the work performed, duly signed by those responsible for preparing and authorising for issue the information detailed in point 1 above.

As a result of the procedures applied to the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the consolidated text of the Spanish Corporate Enterprises Act (*texto refundido la Ley de Sociedades de Capital*) and CNMV Circulars on ICFR system description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signed on the original Spanish version)

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José Enrique Quijada Casillas

27 April 2023

ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

Year end-date: 31/12/2022

TAX ID (CIF): A-48010573

Company name:

OBRASCON HUARTE LAIN, S.A.

Registered office:

PASEO DE LA CASTELLANA, 259 D, TORRE ESPACIO MADRID

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

c) Information on whether any external advisors took part in this process and, if so, their identity

d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The remuneration policy applicable to directors of Obrascón Huarte Lain, S.A. ("OHLA" or the "Company") in 2023 is the policy approved by shareholders at the General Shareholders' Meeting held on 2 June 2022, with 93.1226% of share capital present voting in favour (the "Remuneration Policy", the "Policy" or the "2022-25 Policy").

The Policy is aligned with the requirements of Law 5/2021, of 12 April, amending the revised text of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), approved by Legislative Royal Decree 1/2010, of 2 July (the "Corporate Enterprises Act"), and other financial regulations, as regards the encouragement of long-term shareholder engagement in listed companies ("Law 5/2021") and good corporate governance practices.

For the purposes of this report and as approved at the General Shareholders' Meeting, the Policy is applicable until 31 December 2025, unless a new remuneration policy is approved before then.

The general principles guiding OHLA's Remuneration Policy are as follows:
- Transparency: the Company is committed to transparency in director remuneration, recognising the establishment of a Policy that is clear and known, available to all stakeholders.
- Prudent and effective risk management: the remuneration system is compatible with appropriate and effective risk management, in line with the Company's approved risk management policy. The amount of remuneration is determined based on a principle of prudence and is sufficiently high to compensate directors for their dedication, qualifications and responsibility without compromising their duty of loyalty.
- Alignment with corporate governance recommendations: the Policy respects the corporate governance principles and recommendations undertaken by the Company and those outlined in its Code of Ethics.
- Independence and absence of variable components: remuneration should be structured in a way that does not compromise the independent judgement of directors in discharging their general directorship duties, so it compromises exclusively a fixed amount for attending board meetings and membership of the Board of Directors (the "Board" or the "Board of Directors") and Board committees and does not include any variable components.

- Fairness: it takes in account market trends and is devised in accordance with the Company's strategic focus, and is effective in attracting, motivating and retaining the best people.
- Link to the corporate strategy, interests and long-term stability: it contributes to the Company's corporate strategy and long-term stability, by being aligned with the objectives of shareholders and creating value sustainably over time.
- Balance between fixed and variable remuneration: the remuneration of directors who perform executive functions has an appropriate and efficient balance between fixed and variable components based on the responsibilities, dedication and achievement of targets by the directors.
- Link between remuneration and results ("pay for performance"): the remuneration of directors who perform executive functions is designed with a medium- and long-term view so as to encourage directors' performance in strategic terms by linking it to achievement of the objectives of the Company and the Group (the "Group" or "OHLA Group").

Based on the above, OHLA's Remuneration Policy includes the principles and guidelines described above, which are consistent with the Company's corporate governance policy. Moreover, it complies with the Corporate Enterprises Act to the extent that it is geared towards generating value for OHLA and aligning interests of shareholders with prudent risk management and full respect for the good corporate governance recommendations assumed.

CONTINUES IN SECTION D OF THIS REPORT.

A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

RELATIVE IMPORTANCE OF VARIABLE REMUNERATION ITEMS VIS-À-VIS FIXED REMUNERATION (remuneration mix).
As provided for in the Remuneration Policy, the remuneration of External Directors (or Non-executive Directors) does not include any variable components. Therefore, only Executive Directors are eligible to participate in variable remuneration schemes. This complies with Recommendation 57 of the Good Governance Code of Listed Companies ("GGCLC") of the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores or "CNMV"), as revised in June 2020, which states that variable remuneration should be confined to executive directors.

Specifically, the Chief Executive Officer's remuneration scheme has a variable component aimed at aligning remuneration with OHLA's and its shareholders' objectives and encouraging performance in strategic terms.

The Company's aim is to design remuneration packages that are aligned with market trends so as to attract, motivate and retain the best people, while linking remuneration to the Company's and the Group's results and targets.

In accordance with the Policy and the terms of his or her contract, the variable remuneration scheme of the Chief Executive Officer may include three variable components: (i) annual variable remuneration, (ii) multi-year variable remuneration, and (iii) extraordinary variable remuneration. This scheme has an appropriate and efficient balance between fixed and variable components based on responsibilities, dedication and achievement of strategic targets. However, the relative importance of the Chief Executive Officer's variable remuneration could, depending on the level of achievement of performance targets for the accrual of variable remuneration, become relatively more important than the fixed remuneration components.

The Chief Executive Officer's variable remuneration is linked to the achievement of a combination of specific, predetermined and quantifiable economic-financial, industrial and operational targets of the Company, the related division or business unit, which must be aligned with the interests of shareholders and the Company's strategic plan. The Chief Executive Officer's individual performance may also be evaluated and a weighting assigned to other corporate governance and corporate social responsibility targets, which may be quantitative or qualitative.

Specifically, in determining the relative importance of variable components vis-à-vis fixed components ("remuneration mix"), the following are taken into account:
- Fixed cash remuneration for 2023 of EUR 1,200,000.
- Annual variable remuneration of EUR 1,200,000 for a level of achievement of 100% of the predetermined targets. This amount may be increased to a maximum of 140% of the fixed remuneration for performance which is exceptional and above target. In this case, the maximum amount would be EUR 1,680,000.

According to the Remuneration Policy, OHLA's current Chief Executive Officer could earn the total remuneration shown below. The possible outcomes and assumptions are based on:

Chief Executive Officer
Fixed remuneration* EUR 1,200,000
Annual variable remuneration 100% target: fixed remuneration
Maximum: 140% fixed remuneration
* Represents the gross annual amount for 2023 (excluding potential increases in accordance with the Remuneration Policy). No fixed remuneration in kind is included for these purposes.

Therefore, regarding the "Remuneration Mix", the Chief Executive Officer's annual "target" variable remuneration is equal to half of his total annual remuneration (i.e. sum of annual fixed remuneration and short-term variable remuneration, excluding amounts of remuneration in kind) and the "maximum annual" variable remuneration 58% of the Chief Executive Officer's total annual remuneration.

The Chief Executive Officer may also receive multi-year variable remuneration, if approved by shareholders at the General
Meeting. The related resolution at the Meeting must specify the maximum number of shares that the Chief Executive Officer may receive for participation in that remuneration scheme. The scheme may include a deferral period for delivery of the shares, so that the shares are received in instalments over time.

At the General Meeting held on 28 May 2019, shareholders approved a multi-year variable share-based remuneration plan that included the possibility of granting the Chief Executive Officer variable remuneration linked to his minimum contract term in the Company, and to the achievement of the targets set by the Board of Directors.

However, at its meeting held in November 2019, OHLA's Board of Directors agreed to suspend the multi-year variable share-based remuneration plan. As at the date of preparation of this Report, the suspension was still in effect. Therefore, as at the date of preparation of this report, the Chief Executive Officer did not participate in any multi-year variable remuneration system.

The Policy also states that the Chief Executive Officer may be eligible for extraordinary variable remuneration if, in the opinion of the Board of Directors, he or she has played a decisive role in transactions that are significant or transformational for OHLA Group and the results of which have a major and positive impact on the Company and its shareholders. According to the Remuneration Policy, it is up to the Board of Directors, based on a recommendation by the NRC, to establish the terms and conditions of any such remuneration.

ACTIONS TAKEN BY THE COMPANY IN RELATION TO THE REMUNERATION SYSTEM TO REDUCE EXPOSURE TO EXCESSIVE RISKS AND ALIGN IT WITH THE LONG-TERM OBJECTIVES, VALUES AND INTERESTS OF THE COMPANY, ACCRUAL PERIOD AND DEFERRAL OF PAYMENT.
The Remuneration Policy's remuneration principles comply with the Corporate Enterprises Act and are aligned with the principles and recommendations regarding director remuneration included in the GGCLC regarding the Company's size and importance, economic situation, comparability, profitability and sustainability, and the avoidance of excessive risk-taking and not rewarding poor performance.

In this respect, OHLA applies the following practices:
- Engage external advice where necessary.
- Review market trends periodically.
- Establish clawback arrangements for variable remuneration.
- Link payment of a significant portion of remuneration to the Company's economic-financial performance.

Measures to reduce exposure to excessive risk-taking and reinforce alignment with OHLA's long-term strategy, interests, objectives and values, and to provide sustainability to the Company's results are as follows:
- The NCR regularly reviews the Remuneration Policy, overseeing its compliance.
- The annual variable remuneration is paid after the authorisation for issue of the relevant financial statements and after having determined the level of achievement of financial targets. In this respect, the portion of annual variable remuneration linked to the results of the Company or one or more of its divisions should bear in mind any qualifications stated in the external auditor’s report that reduce their amount.
- There is no entitlement to guaranteed variable remuneration, since there is a minimum threshold for achievement of targets below which this remuneration is not paid.
- There is a cap on annual variable remuneration.
- The amount of annual variable remuneration is contingent on the level of achievement of targets determined annually based on a recommendation by the NRC and approved by OHLA's Board of Directors.
- Included is a related clawback arrangement, which enables OHLA to demand reimbursement of the variable components of remuneration when payment was not in accordance with the performance conditions or when payment was made on the basis of data that have subsequently been clearly shown to have been inaccurate.
- If exceptional events occur, due to circumstances within or outside the Company, the NRC may submit a proposal to the Board of Directors to adjust the variable remuneration.
- The NRC is currently composed of five (5) members, two (2) of whom are also members of the Audit and Compliance Committee. The inter-related membership of directors of both committees ensures that risks related to remuneration are taken into consideration in the committees’ discussions and the proposals submitted to the Board of Directors for determining and evaluating the annual incentives.

MEASURES IN PLACE TO AVOID CONFLICTS OF INTEREST.
Article 31 of the Board Regulations establish, among others, as basic obligations arising from the director’s duty of loyalty the adoption of the necessary measures to avoid situations in which their interests, either as independent professionals or as employees, may be in conflict with the corporate interests of, and their duties to, the Company.

Specifically, Article 32 of the Board Regulations lists the acts that directors must refrain from carrying out, in compliance with the duty to avoid situations of conflict of interest. These provisions also apply if the beneficiary of the acts or of the prohibited activities is a person related to the director.
In any case, directors must notify the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have with the interests of the Company. Conflicts of interest in which directors might be involved must be disclosed in the notes to the financial statements.

A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

The General Shareholders' Meeting is responsible for determining the annual remuneration that may be paid by the Company to all of directors in their capacity as such. The Board of Directors is responsible for distributing the amount among the various directors as, when and in the proportion it sees fit, and may reduce the amount if and when it considers this to be advisable.

At OHLA's General Shareholders' Meeting held on 2 June 2022, approval was given, through the Policy, for Maximum Annual Remuneration of EUR 1,550,000.

The breakdown of the Maximum Annual Remuneration for 2023 is based on the criteria approved by the Board of Directors at its meeting held on 15 June 2020 and is as follows:

a) For membership of the Board of Directors: EUR 110,000 per year.
b) For membership of a Board committee: EUR 20,000 per year.
c) For chairmanship of the Audit and Compliance Committee: EUR 35,000 per year.
d) For chairmanship of the NRC: EUR 25,000 per year.
e) For chairmanship of the Guarantee Committee: EUR 25,000 per year.
f) For holding the post of Independent Coordinating Director: EUR 15,000 per year.

External Directors are also entitled to the remuneration in kind set out in sub-section A.1.5. of this report as fixed components of their remuneration.

Lastly, External Directors residing outside the region where the Company's registered office is located shall receive travel allowances for expenses incurred in discharging their duties.

According to the Company's Bylaws, the remuneration received by External Directors is compatible with, and independent of, the remuneration received by Executive Directors, during the term of the Policy, the Maximum Annual Remuneration will only be distributed among External Directors who do not perform executive functions in the Company.

A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

Executive Directors receive fixed annual cash remuneration for performing executive functions within the Company. The amount of the Executive Director's fixed remuneration is determined by the Board of Directors on a recommendation by the NRC, based on the level of responsibility and dedication the post demands, the Executive Director's experience and career trajectory at OHLA, its alignment with the remuneration of the management team and its competitiveness in comparison to equivalent functions in peer or comparable companies. It may be revised regularly by the Board of Directors.

The Chief Executive Officer's fixed annual cash remuneration remains unchanged during the period covered by the Policy, unless the Board of Directors, on a recommendation by the NRC, resolves to update the amount in accordance with the specific responsibility and characteristics of the duties performed and the results of market studies and research conducted by external advisors. This remuneration for 2023 amounts to EUR 1,200,000.

The Chief Executive Officer is also entitled to the benefits stipulated in sub-section A.1.5 below.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Remuneration Policy provides for certain remuneration in kind as follows:

• For all directors:
- Third-party liability insurance:
In accordance with the Bylaws, the Company may take out insurance policies for all directors covering third-party liability from the discharge of their duties under standard market terms and conditions bearing in mind the Company's own circumstances.

• For all Executive Directors:
- Health insurance:
The Chief Executive Officer and family members are beneficiaries of a health insurance policy. The terms depend on the policy taken out at any given time, with OHLA bearing the entire cost.
- Contributions to life and accident insurance:

The Chief Executive Officer is beneficiary of life and accident insurance as part of a mixed group insurance policy taken out from an insurance company. The cost of the policy is borne by the Company.

A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

The Chief Executive Officer is the only director whose remuneration scheme includes a variable component.

Annual variable remuneration:
As explained in sub-section A.1.2 above, as the at the date of preparation of this report, the Chief Executive Officer was part of an annual variable remuneration scheme linked to the achievement of specific, predetermined and quantifiable targets aligned with the interests of OHLA shareholders and the Company's strategic plan. This does not make him ineligible to participate in other variable remuneration systems included in the Policy.

The Chief Executive Officer's annual variable remuneration represents a percentage of his fixed annual remuneration, calculated based on the achievement of a combination of predetermined and quantifiable quantitative and qualitative targets. This remuneration may be paid in cash or shares.

The Board of Directors, on a recommendation by the NRC, sets the targets each year and evaluates the level of achievement after the end of the year.

The parameters used by OHLA to calculate the annual variable remuneration for 2023 included certain specific, previously determined and quantifiable economic-financial, industrial and operating targets for the Company, the division or the business unit under the responsibility of the Chief Executive Officer. Individual performance may also be evaluated and a weighting assigned to other corporate governance and corporate social responsibility targets, which may be quantitative or qualitative.

The terms and conditions of the Chief Executive Officer's variable remuneration scheme are reviewed annually by the NRC, taking into account the Company's strategy and business situation. This review is subsequently submitted for approval by the Board of Directors.

The quantitative targets set for the Chief Executive Officer for 2023 are linked to order intake, cash generation, debt and EBITDA, with a relative weight of 70%, and certain personal targets, with a relative weight of 30%.

The level of achievement of the targets will be determined according to the weightings that at any given time are established by the Board of Directors on a recommendation by the NRC.

Payment of the annual variable remuneration deferred for one year. Therefore, annual variable remuneration for 2023 will be paid, if applicable, in 2024.

If exceptional events occur, due either to circumstances within or outside the Company, the NRC may submit a proposal to the Board of Directors to adjust the variable remuneration.

The portion of annual variable remuneration whose payment is linked to results of the Company or one or more of its divisions should bear in mind any qualifications stated in the external auditor’s report that reduce their amount.

Lastly, the annual variable remuneration scheme includes a clawback arrangement, which enables OHLA to demand reimbursement of the variable components of remuneration when payment was not in accordance with the performance conditions or when payment was made on the basis of data subsequently shown to have been inaccurate.

The Board of Directors, based on a report by the NRC, shall determine whether or not such circumstances have occurred and any variable remuneration that must be returned.

Multi-year variable remuneration:
According to the Policy, the Chief Executive Officer may be included in any multi-year variable remuneration systems approved by the Board of Directors and linked to his or her continued employment and the achievement of certain strategic objectives.

The Chief Executive Officer’s inclusion in this type of scheme will require, for remuneration that entails the delivery of shares or share options or is linked to the share price, approval by the General Shareholders’ Meeting, as provided for in Article 219 of the Corporate Enterprises Act and in the Company's Bylaws.

As at the date of preparation of this report, the Chief Executive Officer did not participate in any multi-year variable remuneration system as provided for in sub-section A.1.2.

Extraordinary variable remuneration:
Executives Directors may receivable extraordinary variable remuneration if, in the opinion of the Board of Directors, they have played a decisive role in transactions that are significant or transformational for OHLA Group and the results of which have a major and positive impact on the Company and its shareholders. It is up to the Board of Directors, based on a recommendation by the NRC, to establish the terms and conditions of any such remuneration.

The clawback arrangement for annual variable remuneration described shall not apply to the extraordinary variable remuneration under the terms of the Policy.

A.1.7 Main characteristics of long-term savings systems. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

As at the date of preparation of this report, the Company did not have any long-term savings plans for directors.

A.1.8 Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

The Remuneration Policy does not provide for any indemnifications for External Directors for termination of their duties as director.

According to the Chief Executive Officer's contract, the Company or the Chief Executive Officer may unilaterally terminate the Chief Executive Officer's contract by giving at least three (3) months' notice in writing to the other party. In the event of full or partial breach of the notice period, the party that has taken the decision to terminate the contract shall pay the other party an amount equal to EUR 100,000 for each month of notice not given, or the proportional part thereof in the event of incomplete months.
The Chief Executive Officer shall be entitled to additional severance pay for an amount equal to two (2) years of fixed remuneration at the date of termination of his contract, if the termination is decided by the Company without just cause, or breach by the Chief Executive Officer of his obligations and duties in the discharge of his functions, including those provided for specifically in his contract.

PACTS OR AGREEMENT ON EXCLUSIVITY, POST-CONTRACTUAL NON-COMPETITION AND MINIMUM CONTRACT TERMS OR LOYALTY THAT ENTITLE THE DIRECTOR TO ANY TYPE OF REMUNERATION.

The Chief Executive Officer's contract includes such pacts, as explained in sub-section A.1.9 of this report.

A.1.9 Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

CONDITIONS THAT THE CONTRACTS OF EXECUTIVE DIRECTORS PERFORMING SENIOR MANAGEMENT FUNCTIONS SHOULD CONTAIN.
According to the Corporate Enterprises Act and the Company's internal rules and regulations, the Board of Directors, on a recommendation by the NRC, shall approve the basic terms of Executive Directors' contracts (including any remuneration or severance pay in the event of dismissal) for performing executive duties.

The main terms and, especially, remuneration, rights and economic compensation of each Executive Director, are (i) specified in their respective contracts, (ii) within the remuneration components specified in OHLA's Bylaws, and (iii) in accordance with the Remuneration Policy in force.

The basic terms and conditions of the Chief Executive Officer's contract, which are standard for this type of contract, are as follows:

- Duration: the duration of the Chief Executive Officer's contract is tied to his tenure as director.
- Exclusivity: the Chief Executive Officer shall provide services on a full-time basis to OHLA and may not provide services to any third parties, whether or not they are competitors of OHLA, during the term of the contract.

In this regard, without previous and express authorisation by the Board of Directors, the Chief Executive Officer shall refrain from engaging, directly or indirectly, in any professional activity outside the scope of the OHLA Group, for third parties or for his own account, even if such activity does not compete with those of any Group company.

- Confidentiality: the Chief Executive Officer undertakes not to disclose, and to prevent unauthorised third parties from learning about, any of the business plans, procedures, methods, information, commercial or industrial data, know-how and technical documents belonging to the Group relating to its operations that, by their nature, are considered confidential either because they are in his possession or because he has had access to them by reason of his post.

To this end, the Chief Executive Officer shall exercise this diligence both while rendering his services and after his relationship with the Company ends.

- Notice period: there is a three-month notice period under the terms explained in sub-section A.1.8 above.
- Severance pay: the contract provides for entitlement to the severance pay provided for in sub-section A.1.8 above.
- Post-contractual non-competition: a post-contractual non-competition agreement may be triggered upon cessation of the post of Chief Executive Officer for a period of up to one (1) year.

The Chief Executive Officer's contract provides for the possibility that the Board of Directors may impose on the Chief Executive Officer the obligation of comply with a post-contractual non-competition obligation when stepping down from or leaving office, for a stipulated period of one (1) year as of that date. If the Board of Directors decides to activate this post-contractual non-competition obligation, the Chief Executive Officer will be entitled to receive, upon termination of the contract, an amount of EUR 2,880,000 (equal to one (1) year of total maximum remuneration provided for in his contract for performance above the targets established in the variable remuneration system).

If the Chief Executive Officer breaches the post-contractual non-competition obligation, the contract requires him to reimburse the Company for amounts received under the post-contractual non-competition arrangement and to indemnify the Company an amount equal to twenty-five (25) per cent of the remuneration received, without prejudice to the right to claim any damages that may arise directly or indirectly from the breach of this clause.

In any event, the Board of Directors shall review the terms and conditions of Company’s Executive Director contracts periodically and make the changes it deems necessary, if any, within the framework of the Company’s Remuneration Policy and its internal rules and regulations.

A.1.10. The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

There is no provision for OHLA directors to accrue any other supplementary remuneration.

A.1.11 Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

There is no provision for granting advances, loans, guarantees or any other remuneration, although the Chief Executive Officer's contract includes the possibility of requesting advances on his variable remuneration.

A.1.12 The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

There is no provision by any Group company to remunerate any members of the Board of Directors.

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or an amendment to a policy already approved by the General Meeting.

b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.

c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

No significant changes are expected to be made to the Remuneration Policy for the current year.

A.3. Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://media.ohla-group.com/wp-content/uploads/2022/06/14124837/Politica-de-Remuneraciones-de-Consejeros_-2022.pdf

A.4. Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

Of votes cast at the General Shareholders' Meeting held on 2 June 2022 on the resolution regarding the annual report on director remuneration for the previous year, under the terms provided for in section B.4 of this report, 93.8141% of share capital represented were in favour.

In the Board of Directors' opinion, the remuneration practices in that report have the approval of a large number of shareholders and are in line with practices of the companies in the industry in which the Company operates. Therefore, it decided to uphold the same practices.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and

the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

In 2022, the following director remuneration policies (the "Remuneration Policies" or the "Policies") were applicable:

- The previous remuneration policy approved at the General Shareholders' Meeting held on 15 June 2020 and amended at the General Shareholders' Meeting held on 29 June 2021 (the "2020-22 Policy"), which was applicable from 1 January 2022 to 1 June 2022.
- The Remuneration Policy approved at the General Shareholders' Meeting held on 2 June 2022, with effect from the date of approval (i.e., the 2022-25 Policy).

Specifically, the process followed to apply the Policies applicable in 2022 and determine the individual remuneration contained in Section C of this report was as follows:

- External Directors: the individual remuneration of Executive Directors is detailed in section B.5 of this report.
- Executive Directors: as provided for in the Chief Executive Officer's contract and the Remuneration Policies, the Chief Executive Officer accrued the remuneration detailed in section B.6 of this report in 2022.

The main actions, business transacted and decisions taken by the NRC and the Board of Directors in exercise of the authority described in section A.1.1 were as follows:

- The NRC submitted a proposal for the 2022 annual variable remuneration of the Chief Executive Officer based on targets, the weighting of metrics, and the scale applicable to the achievement of each. All were approved by the Board of Directors at its meeting held on 31 March 2022, based on a favourable report by the NRC.
- The NRC agreed to report favourably to the Director on the proposals for the 2021 annual variable remuneration of the senior management team.
- The NRC assessed, and issued a favourable report on, the 2021 Annual Report on Director Remuneration, which was subsequently approved by the Board of Directors.

The NRC held five (5) meetings in 2022, at which it adopted those decisions, along with others. In addition, in 2022, the Company engaged Garrigues to provide external advice on matters involving remuneration.

B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There was no deviation from the procedure established for the application of the Remuneration Policies in 2022.

B.1.3 Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions were applied to the Remuneration Policies in force in 2022.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

As explained in section A.1.1. of this Report, OHLA applies the following practices to reduce exposure to excessive risk-taking and reinforce alignment with OHLA's long-term strategy, interests, objectives and values, and to provide sustainability to the Company's results:

- The NCR regularly reviews the Remuneration Policy, overseeing its compliance.
- The annual variable remuneration is paid after the authorisation for issue of the relevant financial statements and after having determined the level of achievement of financial targets. In this respect, the portion of annual variable remuneration linked to the results of the Company or one or more of its divisions should bear in mind any qualifications stated in the external auditor’s report that reduce their amount.
- There is no entitlement to guaranteed variable remuneration, since there is a minimum threshold for achievement of targets below which this remuneration is not paid.
- There is a cap on annual variable remuneration.
- The amount of annual variable remuneration is contingent on the level of achievement of targets determined annually based on a recommendation by the NRC and approved by OHLA's Board of Directors.
- Included is a related clawback arrangement, which enables OHLA to demand reimbursement of the variable components of remuneration when payment was not in accordance with the performance conditions or when payment was made on the basis of data that have subsequently been clearly shown to have been inaccurate.
- If exceptional events occur, due to circumstances within or outside the Company, the NRC may submit a proposal to the Board of Directors to adjust the variable remuneration.
- The NRC is currently composed of five (5) members, two (2) of whom are also members of the Audit and Compliance Committee. The inter-related membership of directors of both committees ensures that risks related to remuneration are taken into consideration in the committees’ discussions and the proposals submitted to the Board of Directors for determining and evaluating the annual incentives.

Meanwhile, measures taken to ensure that the long-term results of OHLA are taken into account are:

- Designing a Remuneration Policy that is coherent and aligned with the Company's strategy and gears towards the achievement of long-term results, such that the remuneration of the Company's Executive Directors is commensurate with the dedication, effort and responsibility assumed:

o the components of the Chief Executive Officer's remuneration include: (i) fixed remuneration (cash and in kind), (ii) annual variable remuneration and (iii) multi-year variable remuneration (currently suspended]). The Chief Executive Officer is also entitled to receive extraordinary variable remuneration in certain situations.
o Annual variable remuneration is tied to certain performance indicators, including achievement of specific, predetermined and quantifiable economic-financial, industrial and operating targets for the Company, division or related business unit under the responsibility of the Chief Executive Officer, where applicable. These targets are aligned with the interests of OHLA shareholders and the Company's strategic plan.
o According to the Company's Bylaws, directors may be remunerated through the delivery of shares, share options or remuneration linked to the share price provided that application of any of these remuneration schemes is first approved at the General Shareholders' Meeting.

- Appropriate balance between the fixed and variable components of the remuneration. The Chief Executive Officer currently has system of annual variable remuneration where the “target” variable remuneration is 100 per cent of the Fixed Remuneration for achievement of 100 per cent of the objectives.

Regarding the necessary measures to avoid situations of conflict of interest by directors, the 2022-25 Policy makes reference to the Regulations of the Board of Directors, which set out certain obligations arising from directors' duty of loyalty related to avoiding situations of conflict of interest. The Board Regulations also include, among the NRC's responsibilities, ensuring that potential conflicts of interest do not compromise the independence of external advice provided to the NRC.

B.3 Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company’s long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

In compliance with OHLA's Remuneration Policies applicable in 2022, the remuneration accrued by directors in 2022 was as follows:

External Directors:
The amounts stipulated in the 2022-25 Remuneration Policy and described in section B.5 of this report for membership and/or chairmanship of the Board of Directors and Board committees.

The total amount accrued to External Directors in 2022 was EUR 1,295,000 and the amount of travel allowances accrued by External Directors incurred in the performance of their duties was EUR 47,821.2. These amounts are below the Maximum Annual Remuneration provided for in both the 2020-22 Policy (i.e., EUR 1,440,000) and the 2022-25 Policy (i.e., EUR 1,550,000).

Under the 2022-25 Policy, the increase in the Maximum Annual Remuneration may be used to offset to excess fixed remuneration paid to External Directors in 2021.

Chief Executive Officer:
- A fixed component of EUR 1,200,000.
- A cash amount for annual variable remuneration, detailed in section B.7, which will be paid in 2023.
- The life and accident insurance premium, the health insurance premium and other benefits paid by OHLA as described in section B.14 of this report.

Variable remuneration systems include measures that take into account the Company's results, such as:
- It includes scales of achievement defined for each target based on the Company results. Any deviation in the Company's performance will affect the level of achievement of targets and directly affect the amount of variable remuneration, if any, to which the Chief Executive Officer is entitled. Section A.1.2 provides more details on the thresholds for achievement of targets established by the Company for the variable remuneration systems.
- There is no guaranteed variable remuneration, since there is a minimum threshold for achievement of targets below which this remuneration is not paid.
- Variable remuneration shall only accrue when the Board of Directors, on a recommendation by the NRC, has evaluated the level of achievement of the financial targets and after the authorisation for issue of the financial statements.
- The Chief Executive Officer's variable remuneration is subject to an arrangement which, if triggered, would enable the NRC to demand reimbursement of the variable components of remuneration when payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.
- If exceptional events occur, due to circumstances within or outside the Company, the NRC may submit a proposal to the Board of Directors to apply certain adjustments to the variable remuneration.
- The portion of variable remuneration linked to results of the Company or one or more of its divisions should bear in mind any qualifications stated in the external auditor’s report that reduce their amount.

B.4. Report on the result of the consultative vote at the General Shareholders’ Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	217,911,636	36.86

	Number	% of votes cast
Votes against	13,479,596	6.19
Votes in favour	204,431,791	93.81
Blank ballots		0.00
Abstentions	249	0.00

Observations

B.5. Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

The amount of individual remuneration accrued by External Directors in 2022, including remuneration for membership and/or chairmanship of the Board of Directors and Board committees, was distributed in accordance with following criteria agreed by the Board of Directors at its meeting held on 15 June 2020 and set out in the 2022-25 Policy currently in force:

- For membership of the Board of Directors: EUR 110,000.
- For membership of a committee: EUR 20,000.
- For chairmanship of the Audit Committee: EUR 35,000.
- For chairmanship of the NRC: EUR 25,000.
- For chairmanship of the Guarantee Committee: EUR 25,000.
- For the Independent Coordinating Director: EUR 15,000.

In accordance with the above, the total amount accrued by all External Directors in 2022 in their capacity as such amounted to EUR 1,295 thousand, including EUR 48 thousand of travel allowances for expenses incurred by External Directors residing outside the region where the Company's registered office is located.

The proportion of remuneration of each External Director in their capacity as such to their total remuneration in 2022 is as follows:

Director Fixed annual remuneration / / (EUR) / Proportion vis-à-vis total remuneration (%)

LUIS FERNANDO MARTÍN AMODIO HERRERA // 153 / 11.39
JULIO MAURICIO MARTÍN AMODIO HERRERA // 150 / 11.17
JUAN VILLAR-MIR DE FUENTES // 130 / 9.68
JOSÉ ANTONIO FERNÁNDEZ GALLAR // 0 / 0
CARMEN DE ANDRÉS CONDE // 155 / 11.55
CÉSAR CAÑEDO-ARGÜELLES TORREJÓN // 130 / 9.68
FRANCISCO JOSE GARCÍA MARTÍN // 185 / 13.77
JUAN ANTONIO SANTAMERA SÁNCHEZ // 130 / 9.68
LUIS FERNANDO AMODIO GIOMBINI // 135 / 10.05
REYES CALDERÓN CUADRADO // 175 / 13.03
____
Total // 1,343 / 100

Total remuneration paid in 2022 amounted to EUR 1,343 thousand, marking a decrease of EUR 203 thousand from the EUR 1,546 thousand paid in 2021.

The difference between remuneration of External Directors in 2022 and 2021 is due primarily to the change in the Remuneration Policy, which resulted in a change in the amounts of remuneration.

B.6. Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

The Chief Executive Officer's fixed annual remuneration was EUR 1,200 thousand in cash.

In 2022, the Chief Executive Officer was entitled to certain corporate benefits: payment of health and life insurance premiums. For these items, an amount of EUR 21 thousand was attributed to the Chief Executive Officer in 2022.

As in 2021, OHLA did not make any contributions to a pension scheme on behalf of the Chief Executive Officer in 2022.

This did not imply an increase in Fixed Remuneration relative to 2021.

Moreover, in accordance the Corporate Bylaws, the Company took out an insurance policy for the Chief Executive Officer covering third-party liability from the discharge of his or her duties under standard market terms and conditions bearing in mind the Company's own circumstances.

B.7. Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each director that is a beneficiary of remuneration systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

As stipulated in the Remuneration Policies applicable in 2022, only the Chief Executive Officer may be included in the Company's variable remuneration schemes.

The Chief Executive Officer's variable remuneration includes the following variable components:
(i) Annual variable remuneration.
(ii) Multi-year variable remuneration.

The Board of Directors, on a recommendation by the NRC, according to remunerate the Chief Executive Director an amount of EUR 882 thousand for annual variable remuneration, as provided for in his contract, for 73.53% achievement of the targets established by the Board of Directors for 2022, with a weighting of 60% for quantitative targets and 40% for qualitative targets which, in turn, had the following weightings:

- Order intake target, 15% weighting.
- EBITDA target, 20% weighting.
- Cash generation target, 25% weighting.

Explain the long-term variable components of the remuneration systems:

As explained in the previous section, the Chief Executive Officer may be included in any multi-year variable remuneration systems approved by the Company's Board of Directors.

At the General Meeting held on 28 May 2019, shareholders approved a multi-year variable share-based remuneration plan that included the possibility of granting the Chief Executive Officer variable remuneration linked to his minimum contract term in the Company, and to the achievement of the targets set by the Board of Directors.

However, at its meeting held in November 2019, OHLA's Board of Directors agreed to suspend the system. Therefore, in 2022, the Chief Executive Officer did not receive any remuneration or earn any rights in respect of this system.

B.8. Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

Although the Chief Executive Officer's variable remuneration is subject to clawback arrangements, there was no demand for the return of variable components in 2022 since no variable remuneration was accrued or paid based on data that had subsequently been clearly shown to be inaccurate and no payment had been made that was not in accordance with certain performance conditions.

B.9. Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

The Company did not make any contribution to long-term saving schemes in 2022.

B.10. Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

No indemnification or severance pay or any other type of payment deriving from early cessation or termination of contracts was paid during the year last ended.

B.11. Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There were no changes in the Chief Executive Officer’s contract in 2022.

B.12. Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

No supplementary remuneration was accrued by directors in consideration of the provision of services other than those inherent in their position.

B.13. Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

No remuneration accrued deriving from advances, loans or guarantees.

B.14. Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

The Chief Executive Officer is beneficiary of life and accident insurance as part of a mixed group insurance policy taken out from an insurance company. The annual premium in 2022 was EUR 11,000. This cost is borne by the Company and the current coverage of the sum insured is EUR 2,400,000. During 2022, the Company was reimbursed EUR 3,000 on its with-profits life insurance policy for little or no claims.

In addition, health insurance premiums paid on behalf of the Chief Executive Officer in 2022 amounted to EUR 7,000. Moreover, in accordance the Corporate Bylaws, the Company took out an insurance policy for the Chief Executive Officer covering third-party liability from the discharge of his duties as part of a policy taken to cover the liabilities of the Group's directors and managers, under standard market terms and conditions bearing in mind the Company's own circumstances.

B.15. Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director's services to the company.

No remuneration was paid to any member of the Board of Director for providing services to a third company.

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the "Other concepts" heading in Section C.

No other remuneration components than those described in this report were paid to members of the Board of Directors in the year ended 31 December 2022.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in 2022
LUIS FERNANDO MARTIN AMODIO	Chairperson Proprietary	From 01/01/2022 to 31/12/2022
JULIO MAURICIO MARTIN AMODIO	Deputy chairperson Proprietary	From 01/01/2022 to 31/12/2022
JUAN VILLAR-MIR DE FUENTES	Deputy chairperson Proprietary	From 01/01/2022 to 31/12/2022
JOSE ANTONIO FERNANDEZ GALLAR	Chief Executive Officer	From 01/01/2022 to 31/12/2022
CARMEN DE ANDRES CONDE	Independent Director	From 01/01/2022 to 31/12/2022
CESAR CAÑEDO-ARGUELLES TORREJON	Independent Director	From 01/01/2022 to 31/12/2022
FRANCISCO JOSE GARCIA MARTIN	Independent Director	From 01/01/2022 to 31/12/2022
JUAN ANTONIO SANTAMERA SANCHEZ	Independent Director	From 01/01/2022 to 31/12/2022
LUIS FERNANDO AMODIO GIOMBINI	Proprietary Director	From 01/01/2022 to 31/12/2022
REYES CALDERON CUADRADO	Independent Director	From 01/01/2022 to 31/12/2022

C.1 Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2022	Total in 2021
LUIS FERNANDO MARTIN AMODIO		130						23	153	
JULIO MAURICIO MARTIN AMODIO		130						20	150	209
JUAN VILLAR-MIR DE FUENTES		130							130	130
JOSE ANTONIO FERNANDEZ GALLAR	1,200				882			21	2,103	2,613
CARMEN DE ANDRES CONDE		155							155	167
CESAR CAÑEDO-ARGUELLES TORREJON		130							130	130
FRANCISCO JOSE GARCIA MARTIN		185							185	77
JUAN ANTONIO SANTAMERA SANCHEZ		130							130	130
LUIS FERNANDO AMODIO GIOMBINI		130						5	135	54
REYES CALDERON CUADRADO		175							175	175

Observations

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
LUIS FERNANDO MARTIN AMODIO	Plan							0.00				
JULIO MAURICIO MARTIN AMODIO	Plan							0.00				
JUAN VILLARMIR DE FUENTES	Plan							0.00				
JOSE ANTONIO FERNANDEZ GALLAR	Plan							0.00				
CARMEN DE ANDRES CONDE	Plan							0.00				
CESAR CAÑEDO-ARGUELLES TORREJON	Plan							0.00				
FRANCISCO JOSE GARCIA MARTIN	Plan							0.00				
JUAN ANTONIO SANTAMERA SANCHEZ	Plan							0.00				
LUIS FERNANDO AMODIO GIOMBINI	Plan							0.00				
REYES CALDERON CUADRADO	Plan							0.00				

Observations

iii) Long-term savings schemes.

Name	Remuneration from vesting of rights to savings schemes
LUIS FERNANDO MARTIN AMODIO	
JULIO MAURICIO MARTIN AMODIO	
JUAN VILLAR-MIR DE FUENTES	
JOSE ANTONIO FERNANDEZ GALLAR	
CARMEN DE ANDRES CONDE	
CESAR CAÑEDO-ARGUELLES TORREJON	
FRANCISCO JOSE GARCIA MARTIN	
JUAN ANTONIO SANTAMERA SANCHEZ	
LUIS FERNANDO AMODIO GIOMBINI	
REYES CALDERON CUADRADO	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
LUIS FERNANDO MARTIN AMODIO								
JULIO MAURICIO MARTIN AMODIO								
JUAN VILLAR-MIR DE FUENTES								
JOSE ANTONIO FERNANDEZ GALLAR								
CARMEN DE ANDRES CONDE								
CESAR CAÑEDO-ARGUELLES TORREJON								
FRANCISCO JOSE GARCIA MARTIN								
JUAN ANTONIO SANTAMERA SANCHEZ								
LUIS FERNANDO AMODIO GIOMBINI								

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
REYES CALDERON CUADRADO								

Observations

iv) Details of other items

Name	Item	Amount of remuneration
LUIS FERNANDO MARTIN AMODIO	Travel and accommodation allowances for expenses incurred in the discharge of duties	23
JULIO MAURICIO MARTIN AMODIO	Travel and accommodation allowances for expenses incurred in the discharge of duties	20
JUAN VILLAR-MIR DE FUENTES	Item	
JOSE ANTONIO FERNANDEZ GALLAR	Life and health insurance	21
CARMEN DE ANDRES CONDE	Item	
CESAR CAÑEDO-ARGUELLES TORREJON	Item	
FRANCISCO JOSE GARCIA MARTIN	Item	
JUAN ANTONIO SANTAMERA SANCHEZ	Item	
LUIS FERNANDO AMODIO GIOMBINI	Travel and accommodation allowances for expenses incurred in the discharge of duties	5
REYES CALDERON CUADRADO	Item	

Observations

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2022	Total in 2021
LUIS FERNANDO MARTIN AMODIO										
JULIO MAURICIO MARTIN AMODIO										
JUAN VILLAR-MIR DE FUENTES										
JOSE ANTONIO FERNANDEZ GALLAR										
CARMEN DE ANDRES CONDE										
CESAR CAÑEDO-ARGUELLES TORREJON										
FRANCISCO JOSE GARCIA MARTIN										
JUAN ANTONIO SANTAMERA SANCHEZ										
LUIS FERNANDO AMODIO GIOMBINI										
REYES CALDERON CUADRADO										

Observations

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
LUIS FERNANDO MARTIN AMODIO	Plan							0.00				
JULIO MAURICIO MARTIN AMODIO	Plan							0.00				
JUAN VILLAR-MIR DE FUENTES	Plan							0.00				
JOSE ANTONIO FERNANDEZ GALLAR	Plan							0.00				
CARMEN DE ANDRES CONDE	Plan							0.00				
CESAR CAÑEDO-ARGUELLES TORREJON	Plan							0.00				

Name	Name of plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
FRANCISCO JOSE GARCIA MARTIN	Plan							0.00				
JUAN ANTONIO SANTAMERA SANCHEZ	Plan							0.00				
LUIS FERNANDO AMODIO GIOMBINI	Plan							0.00				
REYES CALDERON CUADRADO	Plan							0.00				

Observations

iii) Long-term saving schemes

Name	Remuneration from vesting of rights to savings schemes
LUIS FERNANDO MARTIN AMODIO	
JULIO MAURICIO MARTIN AMODIO	
JUAN VILLAR-MIR DE FUENTES	
JOSE ANTONIO FERNANDEZ GALLAR	
CARMEN DE ANDRES CONDE	
CESAR CAÑEDO-ARGUELLES TORREJON	
FRANCISCO JOSE GARCIA MARTIN	
JUAN ANTONIO SANTAMERA SANCHEZ	
LUIS FERNANDO AMODIO GIOMBINI	
REYES CALDERON CUADRADO	

	Contribution for the year by the company (thousands of euros)		Amount of accrued funds (thousands of euros)					
Name	Savings schemes with vested economic rights	Savings schemes with non-vested economic rights	Savings schemes with vested economic rights				Savings schemes with non-vested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
LUIS FERNANDO MARTIN AMODIO								
JULIO MAURICIO MARTIN AMODIO								
JUAN VILLAR-MIR DE FUENTES								

Name	Contribution for the year by the company (thousands of euros)		Amount of accrued funds (thousands of euros)					
	Savings schemes with vested economic rights	Savings schemes with non-vested economic rights	Savings schemes with vested economic rights				Savings schemes with non-vested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
JOSE ANTONIO FERNANDEZ GALLAR								
CARMEN DE ANDRES CONDE								
CESAR CAÑEDO-ARGUELLES TORREJON								
FRANCISCO JOSE GARCIA MARTIN								
JUAN ANTONIO SANTAMERA SANCHEZ								
LUIS FERNANDO AMODIO GIOMBINI								
REYES CALDERON CUADRADO								

Observations

iv) Details of other items

Name	Item	Amount of remuneration
LUIS FERNANDO MARTIN AMODIO	Item	
JULIO MAURICIO MARTIN AMODIO	Item	
JUAN VILLAR-MIR DE FUENTES	Item	
JOSE ANTONIO FERNANDEZ GALLAR	Item	
CARMEN DE ANDRES CONDE	Item	
CESAR CAÑEDO-ARGUELLES TORREJON	Item	

Name	Item	Amount of remuneration
FRANCISCO JOSE GARCIA MARTIN	Item	
JUAN ANTONIO SANTAMERA SANCHEZ	Item	
LUIS FERNANDO AMODIO GIOMBINI	Item	
REYES CALDERON CUADRADO	Item	

Observations

C) Summary of remuneration (thousands of euros):
This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accruing in the Company					Remuneration accruing in group companies					
Name	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2022, company	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2022, group	Total in 2022, company + group
LUIS FERNANDO MARTIN AMODIO	153				153						153
JULIO MAURICIO MARTIN AMODIO	150				150						150

	Remuneration accruing in the Company					Remuneration accruing in group companies					
Name	Total Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2022 company	Total Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2022, group	Total in 2022, company + group
JUAN VILLAR-MIR DE FUENTES	130				130						130
JOSE ANTONIO FERNANDEZ GALLAR	2,103				2,103						2,103
CARMEN DE ANDRES CONDE	155				155						155
CESAR CAÑEDO-ARGUELLES TORREJON	130				130						130
FRANCISCO JOSE GARCIA MARTIN	185				185						185
JUAN ANTONIO SANTAMERA SANCHEZ	130				130						130
LUIS FERNANDO AMODIO GIOMBINI	135				135						135
REYES CALDERON CUADRADO	175				175						175
TOTAL	3,446				3,446						3,446

Observations

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019	% variation 2019/2018	2018
Executive directors									
JOSE ANTONIO FERNANDEZ GALLAR	2,103	-19.52	2,613	16.97	2,234	-15.25	2,636	99.85	1,319
External directors									
LUIS FERNANDO MARTIN AMODIO	153	-32.30	226	145.65	92	-	0	-	0
JULIO MAURICIO MARTIN AMODIO	150	-28.23	209	198.57	70	-	0	-	0
JUAN VILLAR-MIR DE FUENTES	130	0.00	130	4.00	125	-3.85	130	0.00	130
CARMEN DE ANDRES CONDE	155	-7.19	167	12.84	148	-1.33	150	100.00	75
CESAR CAÑEDO-ARGUELLES TORREJON	130	0.00	130	4.00	125	-3.85	130	100.00	65

	Total amounts accrued and % annual variation								
	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019	% variation 2019/2018	2018
FRANCISCO JOSE GARCIA MARTIN	185	140.26	77	-	0	-	0	-	0
JUAN ANTONIO SANTAMERA SANCHEZ	130	0.00	130	4.00	125	-3.85	130	0.00	130
LUIS FERNANDO AMODIO GIOMBINI	135	150.00	54	-	0	-	0	-	0
REYES CALDERON CUADRADO	175	0.00	175	15.13	152	8.57	140	-40.43	235
Consolidated results of the company									
	-96,840	-	42,384	-	-127,121	-19.32	-106,534	89.01	-969,548
Average employee remuneration									
	26	-3.70	27	-3.57	28	-3.45	29	26.09	23

Observations

D. OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

A1
SPECIFIC DETERMINATIONS FOR THE CURRENT YEAR AS REGARDS DIRECTORS' REMUNERATION BOTH IN THEIR CAPACITY AS SUCH AND FOR EXECUTION FUNCTIONS CARRIED OUT.

In accordance with OHLA's Bylaws (the "Bylaws") and the Regulations of the Board of Directors of OHLA (the "Regulations of the Board") in force, the Remuneration Policy makes a distinction between (i) remuneration for the performance of general director duties, i.e., those inherent to the position of director, excluding any remuneration that may correspond to the performance of executive duties (i.e. proprietary, independent and other external directors, the "External Directors"), (ii) remuneration for directors who perform executive duties (the "Executive Directors") and (iii) remuneration for membership of a Board committees ("Committees" or "Board Committees").

As for such specific determinations, remuneration of External Directors for performing executive duties, the Nomination and Remuneration Committee ("NRC") and the Board of Directors intend to apply the following remuneration scheme for OHLA directors in 2023 and following years, in line with the general principles explained previously:

• For External Directors in their capacity as such:
According to Article 28 of the OHLA Regulations of the Board of Directors, both the Board of Directors and the NRC shall take such measures as within their power to ensure that the remuneration of External Directors is sufficient to compensate them for, and encourage, their dedication, but no so high as to compromise their independent judgement.
Specifically, the remuneration system for External Directors is as follows:
(i) External Directors shall be paid a fixed annual amount for membership on the Board of Directors and, where applicable, additional fixed remuneration for membership of or chairing Board Committees, including the payment of expenses incurred by External Directors who are not residents in the region where the Company's registered office is located.
Lastly, the independent coordinating director (the "Coordinating Director"), if one is appointed, shall receive an additional cash amount to compensate him or her for the extra dedication required for the position.
(ii) According to the Policy and Article 24 (c) of the Bylaws, External Directors may be remunerated through the delivery of shares, share options or remuneration linked to the share price provided that application of any of these remuneration schemes is first approved at the General Shareholders' Meeting.
No remuneration of this kind has been approved for External Directors by shareholders at a General Meeting.
(iii) In accordance with the Bylaws, the Company may take out insurance policies for all directors covering third-party liability from the discharge of their duties under standard market terms and conditions bearing in mind the Company's own circumstances. Under the Remuneration Policy, according to Article 24 of OHLA's Bylaws, the maximum remuneration payable by the Company to External Directors (the "Maximum Annual Remuneration") approved at the General Shareholders' Meeting via the Remuneration Policy currently in force is EUR 1,550,000. This amount shall remain in effect until the Board of Directors submits a proposal for a change to the General Shareholders' Meeting and such proposal is approved.
In any event, this remuneration shall only be distributed among OHLA External Directors, irrespective of the remuneration of members of the Board of Directors who perform executive duties.

• For Executive Directors:
As at the date of preparation of this report (the "Report"), José Antonio Fernández Gallar (the "Chief Executive Officer") was the Company's sole Executive Director, appointed to this position on 28 June 2018 under the following terms and conditions of his contract.
Remuneration of the Company's Chief Executive Officer includes the following remuneration items: (i) fixed remuneration in cash, (ii) fixed remuneration in kind, (iii) annual and multi-year variable remuneration, (iv) extraordinary remuneration and (v) severance and post-contractual non-competition arrangements. The Chief Executive Officer shall not be entitled to receive remuneration applicable to the other directors or fees for attending the meetings of the Board of Directors. Therefore, his remuneration shall be limited to the aforementioned items.
According to the Policy and Article 24 of the Bylaws, Executive Directors may be remunerated through the delivery of shares, share options or remuneration linked to the share price provided that application of any of these remuneration schemes is first approved at the General Shareholders' Meeting.

The Executive Director's contract shall state the remuneration items finally included in his remuneration scheme and they shall be those outlined in the Remuneration Policy.

The Executive Director's remuneration is regulated in detail in his contract approved by the Board of Directors in accordance with Articles 249 and 529 octodecies of the Corporate Enterprises Act on his appointment. His contract is in compliance with the Remuneration Policy, which states there must be a maximum annual remuneration, which shall be increased by the variable remuneration in shares that, where applicable, the Company's Executive Directors may be entitled to receive for participation in multi-year variable remuneration schemes subject to approval at the Company's General Shareholders' Meeting, and any severance to which he may be entitled in certain cases of termination, under the terms set out in his contract.

DESCRIPTION OF THE PROCEDURES AND COMPANY BODIES INVOLVED IN DETERMINING, APPROVING AND APPLYING THE REMUNERATION POLICY AND ITS TERMS AND CONDITIONS.
The Company's main bodies involved in determining, reviewing and applying the Remuneration Policy are as follows:

• General Shareholders' Meeting
According to Article 24 of the Company's Bylaws and Article 25 of the Regulations of the General Shareholders' Meeting, the Remuneration Policy shall be approved by the General Shareholders' Meeting and applied for a maximum period of three (3) years, with approval included as a separate item on the meeting agenda. However, proposals for new director remuneration policies must be submitted to the General Shareholders' Meeting prior to the end of the final year of application of the previous policy. The General Shareholders' Meeting may decide that the new policy shall be applicable from the date of approval and for the ensuing three years.
Approval of the Remuneration Policy, unless given via an ad doc resolution at the General Shareholders' Meeting, shall serve as means of establishing the annual maximum remuneration of directors for performing their general duties (Maximum Annual Remuneration) and for performing executive duties.
Approval of director remuneration must also be given by the General Shareholders' Meeting when it includes the delivery of shares, share options or remuneration linked to the share price.

• Board of Directors
According to Article 24 of the Company's Bylaws, Article 25 of the Regulations of the General Shareholders' Meeting and Articles 5, 27 and 28 of the Regulations of the Board of Directors, the Board shall:
(i)propose the Remuneration Policy to the General Shareholders' Meeting;
(ii)take decisions regarding director remuneration, within the framework of the Bylaws and, where applicable, the Remuneration
Policy approved by the General Shareholders' Meeting;
(iii)distribute the amount of remuneration it sees fit to directors in their capacity as such, individually, within the annual maximum remuneration approved by the General Shareholders' Meeting, based on a report by the NRC;
(iv)take, together with the NRC, all measures to ensure that remuneration of external directors is sufficient to compensate them for, and encourage, their dedication, but no so high as to compromise their independent judgement;
(v)approve, where executive functions are attributed to a member of the Board of Directors, the contract between the director and the Company. This contract, which must be in compliance with the Remuneration Policy and the Bylaws, shall detail all items for which the director may receive remuneration for performing executive duties;
(vi)determine the individual remuneration of each director for performing executive duties within the framework of the Remuneration Policy
and as provided for in their contract, based on a report from the NRC;
(vii)prepare and publish an annual report on director remuneration, which shall be submitted to a consultative vote at the General Shareholders' Meeting as a separate item on the agenda.
• Nomination and Remuneration Committee
According to Article 16 of the Board Regulations, the NRC's duties shall include: (i) proposing to the Board of Directors the remuneration policy for directors and general managers or those who carry out their senior management functions reporting directly to the Board, Executive Committees or Chief Executive Officers, as well as the individual remuneration and other contractual conditions of executive directors and the criteria for the rest of the Group’s senior management, ensuring that they are observed;
(ii) reviewing, periodically, the remuneration programmes, assessing their appropriateness and performance;
(iii) monitoring remuneration transparency;
(iv) reviewing, periodically, the remuneration policy applied to directors and senior executives, including share-based remuneration schemes and their implementation, as well as ensuring that individual remuneration is proportionate to amounts paid to other of the Company's directors and senior executives;
(v) verifying the information on director and senior executive remuneration contained in the various corporate documents, including the Annual Report on Director Remuneration.
The NRC shall comprise no fewer than three and no more than seven External Directors, of whom at least two shall be independent, appointed based on their knowledge, skills and experience for discharging their responsibilities

As at the date of preparation of this Report, the RNC was composed of the following:

Director Position Type
Reyes Calderón Cuadrado Chairman Independent
Francisco Jose García Martín Member Independent
Luis Fernando Martín Amodio Herrera Member Proprietary
Juan Antonio Santamera Sánchez Member Independent
Juan Villar-Mir de Fuentes Member Proprietary

The secretary of the Board of Directors, and in his or her absence the deputy secretary of the Board of Directors, will act as secretary of the NRC.

OHLA's RNC shall meet at least three times a year. It shall also meet whenever the Board or its chairperson requests that a report be issued or a proposal be adopted and, in any case, whenever it is deemed necessary for the proper performance of its functions.
In 2023, and up to the date of preparation of this Report, the RNC had held two meetings.

COMPARABLE COMPANIES TAKEN INTO ACCOUNT TO ESTABLISH THE COMPANY'S REMUNERATION POLICY
The Board of Directors shall ensure that the remuneration of its members is competitive in comparison with remuneration for performing similar functions in peer or comparable companies, based in all cases on the general principles underlying the Remuneration Policy.
The general principles underpinning OHLA's Remuneration Policy take into account market trends and is devised in accordance with the Company's strategic focus, and is effective in attracting, motivating and retaining the best people so as to be aligned with the remuneration offered by comparable companies.

INFORMATION ON WHETHER ANY EXTERNAL ADVISORS TOOK PART IN THIS PROCESS AND, IF SO, THEIR IDENTITY.
In preparing the Remuneration Policy submitted for approval at the 2022 General Shareholders' Meeting, OHLA received specialist advice from Garrigues, which also provided advice to the Company on the preparation of this Report.

PROCEDURES SET FORTH IN THE CURRENT REMUNERATION POLICY FOR DIRECTORS IN ORDER TO APPLY TEMPORARY EXCEPTIONS TO THE POLICY, CONDITIONS UNDER WHICH THOSE EXCEPTIONS CAN BE USED AND COMPONENTS THAT MAY BE SUBJECT TO EXCEPTIONS ACCORDING TO THE POLICY
There were no deviations from the procedure for applying the Remuneration Policy and no temporary exceptions to the policy were applied or limits exceeded.

This annual remuneration report has been approved by the Board of Directors of the company on:

28/03/2023

Indicate whether any director voted against or abstained from approving this report.

[ ] Yes
[√] No

STATEMENT OF RESPONSIBILITY AND AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS AND MANAGEMENT REPORT

The directors hereby state that, to the best of their knowledge, the separate financial statements and management report for the year ended 31 December 2022 have been prepared in accordance with the applicable accounting principles and give a true and fair view of the equity, financial position and results of Obrascón Huarte Lain, S.A.

The Board of Directors, at its meeting held on 28 March 2023, authorised for issue these separate financial statements and management report with a view to their assurance by the auditors and subsequent approval at the General Shareholders' Meeting.

These separate financial statements (comprising the statement of financial position, statement of profit or loss, statement of changes in equity, statement of cash flows, notes to the financial statements and appendices thereto) and the separate management report are signed by the following Company directors.

Luis Fernando Martín Amodio Herrera	Julio Mauricio Martín Amodio Herrera	Juan Villar-Mir de Fuentes
José Antonio Fernández Gallar	Carmen de Andrés Conde	César Cañedo-Arguelles Torrejón
Francisco García Martín	Juan Antonio Santamera Sánchez	Luis Fernando Amodio Giombini
Reyes Calderón Cuadrado		