

Limited Review Report

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES
Interim Condensed Consolidated Financial Statements
and Interim Consolidated Management Report
for the six months ended
June 30, 2023

(Free translation from the original in Spanish)

LIMITED REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

To the shareholders of Obrascón Huarte Lain, S.A. at the request of the Board of Directors:

Report on the interim condensed consolidated financial statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements (the "interim financial statements") of Obrascón Huarte Lain, S.A. (the "Parent") and subsidiaries (collectively the "Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2023 and the interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of recognised income and expense, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows and the explanatory notes thereto for the six months then ended. The Parent's directors are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*, as adopted by the European Union, for the preparation of interim condensed financial information, as provided for in article 12 of Royal Decree 1362/2007. Our responsibility is to express an opinion on these interim financial statements based on our limited review.

Scope of the review

We have carried out our limited review in accordance with the International Standard on Engagements 2410, "Review of Interim Financial Reporting Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit carried out in accordance with regulations on the auditing of accounts in force in Spain and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which cannot be considered an audit of financial statements, no matter came to our attention that would lead us to conclude that the accompanying interim financial statements for the six months ended 30 June 2023 have not been prepared, in all material respects, in accordance with the requirements established by IAS 34 *Interim Financial Reporting* as adopted by the European Union for the preparation of interim financial statements, as provided for in article 12 of Royal Decree 1362/2007.

Emphasis of matter paragraphs

We draw attention to explanatory Note 3.4 of the accompanying financial statements, which states that the Group had financial assets amounting to EUR 50.7 million associated with its investment in, and other loans and borrowings with, concession operator Cercanías Móstoles – Navacarnero, S.A., in liquidation. In this respect, considering how the lawsuit disclosed in Note 4.4.2.2 is unfolding, the Parent's directors, based on external legal opinions, consider that the recoverability of those financial assets is probable.

We also draw attention to Note 4.4.2.2 the accompanying explanatory notes regarding the arbitration proceedings of which the Group 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 estimated that it is unlikely that the Group will suffer any additional economic loss.

Accordingly, there are several uncertainties at present that could affect the final resolution of these two matters, so the Parent's directors could have to modify their estimates significantly in future periods. Our conclusion is not qualified in respect of these matters.

Lastly, we draw attention to Note 2 of the explanatory notes, where it is stated that the accompanying interim financial statements do not include all the disclosures required in a complete set of consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and therefore should be read in conjunction with the Group's consolidated annual financial statements for the year ended 31 December 2022. Our conclusion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

The accompanying interim consolidated management report for the six months ended 30 June 2023 contains such explanations as the Parent's directors consider appropriate concerning the main events occurring in the period and their impact on the interim financial statements presented, of which it is not an integral part, and on the information required by article 15 of Royal Decree 1362/2007. We have checked that the accounting information included in the aforementioned management report agrees with the interim financial statements for the six months ended 30 June 2023. Our work is limited to checking the interim consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of Obrascón Huarte Lain, S.A. and subsidiaries.

Other matter paragraph

This report was prepared at the request of the Board of Directors of Obrascón Huarte Lain, S.A. regarding the publication of the interim financial information required under article 100 of the Spanish Law 6/2023, of 17 March, on Securities Markets and Investment Services.

ERNST & YOUNG, S.L.

(Signed on the original Spanish version)

José Enrique Quijada Casillas

July 27, 2023



► RiverEdge Park Pedestrian Bridge. United States

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

**Interim condensed consolidated financial statements and
management report for the six months ended 30 June 2023**

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OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of financial position as at 30 June 2023 and 31 December 2022

ASSETS	Note	30/06/2023	31/12/2022
NON-CURRENT ASSETS			
Intangible assets	3.1.1		
Intangible assets		497.690	505.125
Accumulated amortisation		(372.433)	(365.631)
		125.257	139.494
Concession infrastructure	3.2		
Intangible asset model		506	563
Financial asset model		22.589	10.096
		23.095	10.659
Property, plant and equipment	3.1.2		
Land and buildings		151.846	150.668
Machinery		414.950	423.840
Other installations, equipment and furniture		110.034	112.728
Property, plant and equipment under construction and advances		21.296	12.741
Other property, plant and equipment		86.639	92.046
Accumulated depreciation and provisions		(530.273)	(530.058)
		254.492	261.965
Investment properties		4.224	4.222
Goodwill	3.3	36.241	36.998
Non-current financial assets	3.4		
Investment securities		62.511	62.514
Other taxes receivable		103.120	110.079
Deposits and guarantees given		16.766	16.967
Provisions		(53.183)	(53.183)
		129.214	136.377
Investments accounted for using the equity method	3.5.1	150.778	149.960
Deferred tax assets		102.836	90.259
TOTAL NON-CURRENT ASSETS		826.137	829.934
CURRENT ASSETS			
Non-current assets held for sale	3.6	162.232	28.814
Inventories			
Embodiment items, fungibles and replacement parts for machinery		44.484	39.470
Auxiliary shop projects and site installations		10.373	32.971
Advances to suppliers and subcontractors		42.482	38.779
Provisions		(35)	(4.131)
		97.304	107.089
Trade and other receivables	3.7		
Trade receivables		1.201.596	1.265.077
Receivables from associates		151.905	144.222
Employee receivables		1.594	1.437
Tax receivables		100.345	92.157
Other receivables		86.255	59.191
Provisions		(106.895)	(108.582)
		1.434.800	1.453.502
Current financial assets	3.4		
Investment securities		36.409	48.397
Other taxes receivable		15.027	15.071
Deposits and guarantees given		183.896	182.270
Provisions		(13.212)	(13.362)
		222.120	232.376
Current income tax assets		4.699	10.064
Other current assets		78.081	63.224
Cash and cash equivalents	3.8	401.047	469.311
TOTAL CURRENT ASSETS		2.400.283	2.364.380
TOTAL ASSETS		3.226.420	3.194.314

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 June 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of financial position as at 30 June 2023 and 31 December 2022

EQUITY AND LIABILITIES	Note	30/06/2023	31/12/2022
EQUITY			
Share capital	3.9	147.781	147.781
Share premium	3.10	1.328.128	1.328.128
Treasury shares	3.11	(322)	(341)
Reserves	3.12	(692.806)	(633.687)
Reserves in consolidated companies	3.12	(220.572)	(185.878)
Valuation adjustments	3.13	(7.548)	(764)
Consolidated profit/(loss) for the period attributable to equity holders of the parent		557	(96.840)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		555.218	558.399
Non-controlling interests		(1.769)	(1.144)
TOTAL EQUITY		553.449	557.255
NON-CURRENT LIABILITIES			
Issue of notes and other marketable securities	3.14.1		
Issue of corporate notes		408.861	428.400
		408.861	428.400
Bank borrowings	3.14.2		
Mortgage and other loans		42.385	3.692
		42.385	3.692
Other financial liabilities	3.15	42.267	45.414
Deferred tax liabilities		88.706	67.128
Provisions		72.690	70.848
Deferred income		53	40
Other non-current liabilities	3.16	27.165	32.803
TOTAL NON-CURRENT LIABILITIES		682.127	648.325
CURRENT LIABILITIES			
Liabilities associated with non-current assets held for sale	3.6	66.020	42
Issue of notes and other marketable securities	3.14.1		
Issue of corporate notes		8.141	8.707
		8.141	8.707
Bank borrowings	3.14.2		
Mortgage and other loans		54.692	26.778
Unmatured accrued interest payable		585	-
		55.277	26.778
Other financial liabilities	3.15	19.012	19.233
Trade and other payables			
Advances received from customers	3.7	525.172	540.855
Trade payables		873.852	925.020
Notes payable		67.895	60.403
		1.466.919	1.526.278
Provisions		166.078	178.864
Current income tax liabilities		5.015	9.337
Other current liabilities	3.16		
Loans and borrowings with associates		47.887	59.464
Salaries payable		37.144	36.748
Tax payables		56.272	74.447
Other non-trade payables		61.630	47.370
Guarantees and deposits received		1.225	1.225
Other current liabilities		224	241
		204.382	219.495
TOTAL CURRENT LIABILITIES		1.990.844	1.988.734
TOTAL EQUITY AND LIABILITIES		3.226.420	3.194.314

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 June 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of profit or loss for the six months ended 30 June 2023 and 2022

	Note	30/06/2023	30/06/2022 (*)
Revenue	3.18	1.412.373	1.263.050
Other operating income	3.18	71.314	54.122
Total revenue		1.483.687	1.317.172
Cost of sales	3.18	(775.417)	(738.486)
Staff costs	3.18	(313.910)	(277.095)
Other operating expenses	3.18	(343.509)	(267.423)
Amortisation and depreciation		(38.929)	(37.573)
Change in provisions		2.104	26.482
OPERATING PROFIT/(LOSS)		14.026	23.077
Finance income	3.18	12.972	5.333
Finance costs	3.18	(34.507)	(36.090)
Net exchange differences	3.18	10.333	(13.557)
Net gain/(loss) on remeasurement of financial instruments at fair value	3.18	753	(54)
Share of profit/(loss) of companies accounted for using the equity method	3.18	3.513	(6.093)
Impairment and gains/(losses) on disposal of financial instruments	3.18	3.958	(23.211)
PROFIT/(LOSS) BEFORE TAX		11.048	(50.595)
Income tax expense	3.17	(10.852)	(12.394)
PROFIT/(LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS		196	(62.989)
Profit/(loss) after tax for the period from discontinued operations	3.6	59	2.895
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD		255	(60.094)
Non-controlling interests		302	(641)
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		557	(60.735)
Diluted	1.4	0,00	(0,10)
Earnings/(loss) per share from discontinued operations:			
Basic	1.4	0,00	0,00
Diluted	1.4	0,00	0,00

(*) Restated and unaudited

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 June 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of recognised income and expense for the six months ended 30 June 2023
and 2022

Interim condensed consolidated statement of recognised income and expense	30/06/2023	30/06/2022
CONSOLIDATED PROFIT/(LOSS) FOR THE PERIOD	255	(60.094)
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	(3.932)	30.472
Translation differences	(3.932)	30.472
AMOUNTS TRANSFERRED TO PROFIT OR LOSS	25	2.585
Translation differences	25	2.585
TOTAL RECOGNISED INCOME/(EXPENSE)	(3.652)	(27.037)
Attributable to equity holders of the parent	(3.026)	(27.215)
Attributable to non-controlling interests	(626)	178

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 June 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2023

	Equity attributable to equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Share premium and reserves	Treasury shares	Consolidated profit/(loss) for the period attributable to equity holders of the parent	Valuation adjustments	Total equity attributable to equity holders of the parent		
Closing balance at 31 December 2022	147.781	508.563	(341)	(96.840)	(764)	558.399	(1.144)	557.255
Total recognised income/(expense)	-	-	-	557	(3.583)	(3.026)	(626)	(3.652)
Transactions with equity holders or owners	-	(18)	19	-	-	1	-	1
Treasury share transactions	-	(18)	19	-	-	1	-	1
Other changes in equity	-	(93.795)	-	96.840	(3.201)	(156)	1	(155)
Transfers between equity items	-	(96.840)	-	96.840	-	-	-	-
Other changes	-	3.045	-	-	(3.201)	(156)	1	(155)
Closing balance at 30 June 2023	147.781	414.750	(322)	557	(7.548)	555.218	(1.769)	553.449

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 June 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2022

	Equity attributable to equity holders of the parent						Non-controlling interests	Total equity
	Share capital	Share premium and reserves	Treasury shares	Consolidated profit/(loss) for the period attributable to equity holders of the parent	Valuation adjustments	Total equity attributable to equity holders of the parent		
Closing balance at 31 December 2021	147.781	500.913	(504)	5.945	(29.859)	624.276	(3.927)	620.349
Total recognised income/(expense)	-	-	-	(60.735)	33.520	(27.215)	178	(27.037)
Transactions with equity holders or owners	-	(206)	84	-	-	(122)	-	(122)
Treasury share transactions	-	(206)	84	-	-	(122)	-	(122)
Other changes in equity	-	8.658	-	(5.945)	-	2.713	(29)	2.684
Transfers between equity items	-	5.945	-	(5.945)	-	-	-	-
Other changes	-	2.713	-	-	-	2.713	(29)	2.684
Closing balance at 30 June 2022	147.781	509.365	(420)	(60.735)	3.661	599.652	(3.778)	595.874

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 June 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Interim condensed consolidated statement of cash flows for the six months ended 30 June 2023 and 2022

	30/06/2023	30/06/2022 (*)
A) NET CASH FLOWS USED IN OPERATING ACTIVITIES	(26.934)	(74.702)
Profit/(loss) before tax	11.048	(50.595)
Adjustments for:	39.803	84.763
Amortisation and depreciation	38.929	37.573
Other adjustments to profit/(loss)	874	47.190
Working capital changes	(104.793)	(108.282)
Other cash flows from/(used in) operating activities	27.008	(588)
Dividends received	943	615
Income tax recovered/(paid)	(14.036)	(12.679)
Other amounts received from/(paid for) operating activities	40.101	11.476
B) NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(26.375)	102.647
Payments for investments	(53.971)	(63.268)
Group companies, associates and business units	(14.320)	(18.382)
Property, plant and equipment, intangible assets and investment properties	(23.451)	(28.020)
Other financial assets	(16.200)	(16.866)
Proceeds from sale of investments	27.432	160.582
Group companies, associates and business units	23.557	11.888
Property, plant and equipment, intangible assets and investment properties	3.816	984
Other financial assets	59	147.710
Cash flows from investing activities	164	5.333
Interest received	10.709	5.333
Other amounts received from/(paid for) investing activities	(10.545)	-
C) NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	2.695	(148.307)
Proceeds from (and payments for) equity instruments	1	(122)
Acquisition	(10.987)	(11.766)
Disposal	10.988	11.644
Proceeds from (and payments for) financial liability instruments	36.018	(94.547)
Issue	68.807	366
Redemption and repayment	(32.789)	(94.913)
Other cash flows from/(used in) financing activities	(33.324)	(53.638)
Interest paid	(22.396)	(23.855)
Other amounts received from/(paid for) financing activities	(10.928)	(29.783)
D) EFFECT OF FOREIGN EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	(2.604)	14.063
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	(53.218)	(106.299)
F) CASH AND CASH EQUIVALENTS AT 1 JANUARY	454.265	495.923
G) CASH AND CASH EQUIVALENTS AT 30 JUNE (E+F)	401.047	389.624
COMPONENTS OF CASH AND CASH EQUIVALENTS AT 30 JUNE		
Cash in hand and at banks	391.060	382.862
Other financial assets	9.987	6.762
TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE	401.047	389.624
CASH FLOWS FROM DISCONTINUED OPERATIONS		
A) Operating activities	(10.989)	6.157
B) Investing activities	(6.894)	(5.377)
C) Financing activities	10.612	(4.947)
D) Net cash flows from discontinued operations (A+B+C)	(7.271)	(4.167)

(*) Restated and unaudited

Note: the accompanying notes 1 to 5 are an integral part of the interim condensed consolidated financial statements for the six months ended 30 June 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

1. CORPORATE INFORMATION

1.1 Name and registered address

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

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

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

1.2 Business sectors

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

Construction

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

Industrial

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

Services (discontinued operations)

Cleaning, maintenance and urban, and waste management services in buildings, homes, offices, urban green areas and road networks, and social and health services (see Note 3.6).

Other

The Group engages in other minor activities, which at the reporting date are not disclosed separately since they do not represent a significant portion of total revenue. These include: Development, relating to the development and operation of premium or luxury mixed-use hotels, and Concessions, entailing the construction, execution, operation and conservation of all types of infrastructure and works. It also includes all Corporate activities.

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

Profit/(loss) for the period

Consolidated profit attributable to equity holders of the parent for six months ended 30 June 2023 amounted to EUR 557 thousand:

	EUR thousand	
	30/06/2023	30/06/2022 (*)
Revenue	1,412,373	1,263,050
EBITDA(**)	50,851	34,168
EBIT	14,026	23,077
Financial profit/(loss) and other profit/(loss)	(2,978)	(73,672)
Profit/(loss) before tax	11,048	(50,595)
Income tax expense	(10,852)	(12,394)
Profit/(loss) for the period from continuing operations	196	(62,989)
Profit/(loss) for the period from discontinued operations	59	2,895
Consolidated profit/(loss) for the period	255	(60,094)
Profit/(loss) for the period attributable to non-controlling interests	302	(641)
Profit/(loss) for the period attributable to equity holders of the parent	557	(60,735)

(*) Restated and unaudited figures

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

Trend in equity attributable to equity holders of the parent

Set out below are the changes in equity attributable to equity holders of the parent in 2022 and the six months ended 30 June 2023:

	EUR thousand
Balance at 31 December 2021	624,276
Profit/(loss) for 2022 attributable to equity holders of the parent	(96,840)
Translation differences	29,095
Other changes	1,868
Balance at 31 December 2022	558,399
Profit/(loss) for 2023 attributable to equity holders of the parent	557
Translation differences	(3,583)
Other changes	(155)
Balance at 30 June 2023	555,218

Changes in cash flows

The following table presents year-on-year changes in cash flows in the six months ended 30 June 2023 by operating, investing and financing activities:

Cash flows	EUR thousand		
	30/06/2023	30/06/2022 (*)	Difference
Operating activities	(26,934)	(74,702)	47,768
Investing activities	(26,375)	102,647	(129,022)
Financing activities	2,695	(148,307)	151,002
Effect of foreign exchange differences on cash and cash equivalents	(2,604)	14,063	(16,667)
Net increase/(decrease) in cash and cash equivalents	(53,218)	(106,299)	53,081
Cash and cash equivalents at 1 January (*)	454,265	495,923	(41,658)
Cash and cash equivalents at 30 June	401,047	389,624	11,423

(*) Restated and unaudited figures

1.4 Earnings per share (EPS)

Basic earnings per share

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

Diluted EPS

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

There were no differences between the basic earnings per share and diluted earnings per share at 30 June 2023 and 2022.

	EUR thousand	
	30/06/2023	30/06/2022
Weighted average number of shares outstanding	590,443,906	590,519,498
Consolidated profit/(loss) for the period attributable to equity holders of the parent	557	(60,735)
Basic earnings/(loss) per share = Diluted earnings per share	0.00	(0.10)
Profit/(loss) after tax for the period from discontinued operations	59	2,895
Basic earnings per share = Diluted earnings per share from discontinued operations	0.00	0.00

2. BASIS OF PREPARATION AND CONSOLIDATION

2.1 Basis of preparation

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

The Group's 2022 consolidated financial statements were prepared by the Parent's directors in accordance with the IFRSs as adopted by the European Union, applying the consolidation principles, accounting policies and measurement criteria described in Note 2.6 to those consolidated financial statements, to give a true and fair view of the Group's consolidated equity and financial position as at 31 December 2022, and of its consolidated financial performance and the changes in its consolidated equity and consolidated cash flows for the year then ended.

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* by the Group's directors on 27 July 2023 as required by article 12 of Royal Decree 1362/2007.

In accordance with IAS 34, the interim consolidated financial report is intended to provide an update on the Group's latest complete set of annual financial statements. Accordingly, it focuses on new activities, events, and circumstances occurring in the second half of the year and does not duplicate information previously reported in the annual consolidated financial statements for 2022. For an appropriate understanding of the information included in these interim condensed consolidated financial statements, they should be read in conjunction with the Group's annual consolidated financial statements for 2022.

2.2 International Financial Reporting Standard (IFRSs)

The accounting standards used to prepare the accompanying interim condensed consolidated financial statements are the same as those used to prepare the consolidated financial statements for the year ended 31 December 2022, as none of the standards, interpretations or amendments that are effective for the first time in the current period have had any impact on the Group's accounting policies.

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

2.3 Functional currency

These interim condensed consolidated financial statements are presented in euros (EUR) as this is the currency of the primary economic area in which the Group operates. The Group's foreign operations are recognised in accordance with the policies explained in Note 2.6.11. to the Group's annual financial statements for 2022.

2.4 Responsibility for the information, accounting estimates and accounting policies

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

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

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

Although these estimates were made on the basis of the best information available at the reporting date regarding the facts analysed, future events could make it necessary to revise these estimates after 30 June 2023. Any changes in accounting estimates would be applied prospectively in accordance with IAS 8, with the effects of the change in accounting estimates recognised in the consolidated statement of profit or loss of the periods affected.

2.4.1 Comparative information

The information relating to 2022 is presented exclusively for comparative purposes with the information for 2023. Following the reclassification of the Services division as a discontinued operation in the financial statements for the reporting period as described in Note 3.6, the Group restated 2022 figures. Therefore, information for the comparative period for 2022 presented differs from the information included in the consolidated interim and annual financial statements approved at 31 December 2022.

2.5 Seasonality of Group operations

Given the activities carried out by Group companies, their transactions are not regarded as highly cyclical or seasonal. Consequently, the accompanying explanatory notes to the interim condensed consolidated financial statements for the six months ended 30 June 2023 do not include specific disclosures.

2.6 Materiality

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

2.7 Risk management at OHLA Group

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

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

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

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

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

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

- The establishment of the information reporting system, communication channels and levels of authorisation.

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

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

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

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

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

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

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

Financial risk

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 assets resources. The most important of these are interest rate, exchange rate, credit and liquidity risks. It also includes risks related to obligations assumed with noteholders and financial institutions.

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

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 added 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 and have seemingly eased in 2023, 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 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 reputation

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.

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 has designed new retention packages and incentives and is targeting digital talent to streamline processes. Nevertheless, the lack of talent is a challenge all industries are facing and there are no indications this will improve in the short term.

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 compromise 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

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.

Liquidity risk

In June 2021, the Group underwent a major financial structuring, the key milestones of which were:

- i. 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.
- ii. 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 improved the Group's financial leverage and its ability to service its debt. Gross debt from Notes decreased from EUR 592,888 thousand to EUR 487,267 thousand, i.e. a total reduction of EUR 105,621 thousand.

After that, additional steps were taken to strengthen and bolster the liquidity position and further reduce debt in line with the commitments assumed with the Group's financial creditors through:

- The disposals of several subsidiaries in 2021 (Old War Office Project; Hospital de Toledo S.A. and Mantholedo S.A.U.; and Aguas de Navarra S.A. and its concession operator).
- 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, at 30 June 2023 gross debt from the Group's Notes stood at EUR 412,209 thousand, with a **reduction from the pre-restructuring of 30.5%**.

OHLA's credit rating in July 2021 was **Caa1, outlook positive**, and in March 2022 its corporate family rating (CFR) was upgraded to **B3, stable outlook**, where it stands now. The rating on OHL Operaciones S.A.U.'s note was also upgraded from Caa2 to B3. All this shows the improvement in liquidity achieved after the operation.

However, even with the Company's improved solvency in 2022, 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), not to mention the impact on business performance of the ongoing conflict in Ukraine, which is causing world economic growth to slow, affected by high inflation and burgeoning commodity prices, as well as occasional liquidity stress due to the seasonality of the business, which could have an impact on OHLA Group's forecasts for 2023.

Specifically, to mitigate the Group's liquidity stress and continue reducing debt, management is carrying out the following:

To improve liquidity

- Working with banks to secure the release of part of its restricted cash, which at 30 June 2023 amounted to EUR 175,410 thousand. These are restricted deposits primarily securing the Multiproduct Syndicated Facilities (MSF) agreement.
- Obtaining temporary financing, so that it will have sufficient financial coverage to ensure the Group's liquidity.

For instance, on 19 May 2023, a bridge financing agreement was entered into for up to EUR 40,000 thousand backed by Spain's Official Credit Institute (Instituto Crédito Oficial or "ICO") covering 70% of the financing, in addition to a first-ranking pledge over shares in OHL Servicios Ingesan (which heads up the Services division).

- iii. Disposing of the Services division (see Note 3.6). Part of the proceeds obtained, most likely in 2023, will go to cancel the previous bridge loan and the remainder to fund current operations.

To reduce debt

- a) Actively managing the sale of the stake in Centre Hospitalier de l'Université de Montréal (CHUM) (see Note 3.6), using the proceeds primarily to cancel debt, and other divestments.

With these measures, coupled with the strict working capital management and close monitoring of expected cash flow generation and requirements already being carried out, the Parent's management is confident that the Group will have sufficient liquidity to settle its short-term obligations and ensure its ability to continue to operate as a going concern.

The Group's liquidity position as at 30 June 2023, comprising cash and cash equivalents and current financial assets, stood at EUR 623,167 thousand (31 December 2022: EUR 701,687 thousand), broken down as follows:

- **Cash and cash equivalents** of EUR 401,047 thousand (31 December 2022: EUR 469,311 thousand), which included EUR 219,581 thousand related to the Group's interests in temporary business associations or joint ventures (UTES) (31 December 2022: EUR 185,796 thousand). There is also restricted cash amounting to EUR 2,614 thousand related to other guarantees (31 December 2022: EUR 2,934 thousand).
- **Current financial assets** of EUR 222,120 thousand (31 December 2022: EUR 232,376 thousand), which include restricted assets pledged as security for EUR 175,410 thousand (31 December 2022: EUR 176,237 thousand), the main item of which is a deposit for EUR 140,000 thousand as collateral for the MSF.

Also included under this item are EUR 36,255 thousand as performance bonds for certain projects being carried out in the US (31 December 2022: EUR 43,885 thousand).

The Group also has **drawable credit lines and discount facilities** amounting to EUR 35,355 thousand (31 December 2022: EUR 41,244 thousand), featuring the Judlau Contracting, Inc. credit line with a limit of EUR 82,827 thousand and a sub-limit of EUR 41,414 thousand of guarantees signed on 28 June 2022.

There is also the EUR 40,000 facility in the bridge financing loan backed by the ICO signed in May 2023, as explained above, which had been drawn down in full as at 30 June 2023.

Interest-bearing loans and borrowings maturing within 12 months amount to EUR 63,418 thousand.

2.8 Changes in the scope of consolidation

Appendices I and II to the consolidated financial statements for the year ended 31 December 2022 provide relevant information about fully consolidated Group companies and investees accounted for using the equity method.

The following changes occurred in the Group's scope of consolidation in the first half of 2023:

Inclusions	No. of companies
Full consolidation	4
Equity method	-
Total inclusions	4
Exclusions	No. of companies
Full consolidation	1
Equity method	-
Total exclusions	1

Among inclusions:

- On 18 April 2023, Sociedad Concesionaria Instituto Nacional del Cáncer, S.A. was incorporated in Chile. This company, which is 100% owned by group companies, was set up to design, build, preserve and operate a hospital in Santiago de Chile.

There were no significant exclusions from the scope of consolidation in the six months ended 30 June 2023.

3. EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

3.1 Intangible assets and property, plant and equipment:

3.1.1 Intangible assets

This item includes mainly the net amounts allocated in the consolidation of the customer portfolio and the backlog of acquirees in the US and the Pacadar subgroup, for a total net amount at 30 June 2023 of EUR 120,952 thousand (31 December 2022: EUR 134,388 thousand). The decrease in assets for the depreciation charge in the period was offset by dollar appreciation vis-à-vis the euro.

No allowances for impairment losses on these assets had been recognised as at 30 June 2023 based on the assessment performed.

3.1.2 Property, plant and equipment

This item includes net right-of-use assets arising from the recognition of leases amounting to EUR 56,888 thousand as at 30 June 2023 (31 December 2022: EUR 66,406 thousand).

3.2 Concession infrastructure

The breakdown by company of the carrying amount of “Concession infrastructure” as at 30 June 2023 and 31 December 2022 is as follows:

	EUR thousand	
	30/06/2023	31/12/2022
Intangible asset model		
Marina Urola, S.A.	472	529
Other	34	34
Total intangible assets	506	563
Financial asset model		
Sociedad Concesionaria Hospitales Red Biobio, S.A.	20,965	10,096
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	1,624	-
Total financial assets	22,589	10,096
Total	23,095	10,659

The following table sets out the Group's investment commitments and the remaining term of its concessions as at 30 June 2023:

Concession operator	Description of concession	Country	% stake	Committed investment (EUR thousand)	Remaining term (years)
Fully consolidated infrastructure projects					
Marina Urola, S.A.	Marina	Spain	51.00	-	5
Sociedad Concesionaria Centro de Justicia de Santiago, S.A	Law courts	Chile	100.00	-	3
Sociedad Concesionaria Hospitales Red Biobio, S.A.	Hospitals	Chile	100.00	440,194	18
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	Hospitals	Chile	100.00	337,012	23
Infrastructure projects accounted for using the equity method					
Concesionaria Ruta Bogotá Norte S.A.S.	Motorways	Colombia	25.00	304,083	28
Parking Niño Jesús-Retiro, S.A.	Car parks	Spain	30.00	36,509	38

Under the terms of the concession arrangements, the concession operators are required to make total investments of EUR 763,898 thousand within the next five years, of which EUR 545,270 thousand relate to concessions that are fully consolidated by the Group.

The amount and timing of the investments were determined based on the best estimates available. Therefore, both the amount and the period of time over which they will be made are subject to change.

Financing for the investments is through loans granted to the concession operators, equity contributions and cash flows from the projects.

3.3 Goodwill

Set out below is the reconciliation of the carrying amount of goodwill at 30 June 2023 and 31 December 2022:

Companies giving rise to goodwill	EUR thousand	
	30/06/2023	31/12/2022
Agrupación Guinovart Obras y Servicios Hispania, S.A.	2,492	2,492
Construcciones Adolfo Sobrino S.A.	3,408	3,408
EyM Instalaciones, S.A.	99	99
Inizia Networks, S.L.	-	358
Pacadar, S.A.U. and subsidiaries	30,242	30,242
OHL Servicios-Ingesan, S.A.U.	-	399
Total	36,241	36,998

The Group tests goodwill for impairment annually provided no circumstances arise before that indicate that the asset's recoverable amount is below its carrying amount.

At 30 June 2023, no significant deviations from forecasts for estimated cash flows were uncovered or in the rest of the assumptions used in the model at 31 December 2022. Therefore, the Group considers that there is no impairment.

3.4 Financial assets

Investment securities

Investment securities as at 30 June 2023 and 31 December 2022:

	EUR thousand			
	30/06/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Held-to-maturity securities	178	36,406	181	48,394
Securities at fair value through profit or loss	2,161	-	2,161	-
Available-for-sale securities	60,172	3	60,172	3
Subtotal	62,511	36,409	62,514	48,397
Provisions	(16,172)	-	(16,172)	-
Total	46,339	36,409	46,342	48,397

The main item of non-current investment securities is the stake in concession operator Cercanías Móstoles Navalcarnero, S.A., in liquidation, for a net amount of EUR 44,193 thousand. There is also a receivable in "Other loans" for EUR 6,503 thousand.

The amounts of investment securities classified as current relate primarily to debt securities of the Group's US subsidiaries, of which EUR 36,255 thousand are earmarked as performance bonds for certain projects being executed (31 December 2022: EUR 43,885 thousand).

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

Other receivables and deposits and guarantees given

The breakdown by item is as follow:

	EUR thousand			
	30/06/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Other loans	103,120	15,027	110,079	15,071
Deposits and guarantees given	16,766	183,896	16,967	182,270
Impairment losses	(37,011)	(13,212)	(37,011)	(13,362)
Total, net	82,875	185,711	90,035	183,979

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

As at 30 June 2023, “Other loans and receivables” and “Deposits and guarantees given” included mainly:

- 1) A profit participating loan of EUR 18,587 thousand to Aeropistas, S.L. and Autopista Eje Aeropuerto Concesionaria Española, S.A., the entire amount of which had been provisioned (see Note 4.4.2.2).
- 2) Loans granted to associates for EUR 59,753 thousand, primarily the subordinated debt of the Canalejas Project.
- 3) A loan granted to Grupo Villar Mir by the Parent, with a balance at 30 June 2023 of EUR 28,806 thousand that had been fully written off.
- 4) Lastly, “Current financial assets - Deposits and guarantees given” includes pledged bank accounts for EUR 175,410 thousand.

The main one is a EUR 140,000 thousand deposit securing a guarantee facility of EUR 354,391 thousand included in the MSF agreement. This agreement, initially arranged in December 2016, has been novated several times, the last of which was on 16 May 2023. The facility currently matures on 30 June 2024, provided that certain contractual terms and conditions are met.

3.5 Joint arrangements

3.5.1 Investments accounted for using the equity method

The following table shows investments accounted for using the equity method as at 30 June 2023 and 31 December 2022:

Companies	EUR thousand	
	30/06/2023	31/12/2022
Joint ventures		
Constructora Vespucio Oriente, S.A.	1,240	1,229
Nova Dársena Esportiva de Bara, S.A.	7,040	7,347
NCC - OHL Lund-Arlöv, fyra spar Handelsbolag	6,487	5,674
Rhatigan OHL Limited	2,561	2,569
Other	1,381	1,190
Associates		
Alse Park, S.L.	2,331	2,293
Proyecto Canalejas Group, S.L.	127,596	127,596
Parking Niño Jesus	1,095	878
Other	1,047	1,184
Total	150,778	149,960

The most significant asset is:

Canalejas (Proyecto Canalejas Group S.L.)

The Group held an ownership interest of 50.0% in this project at 30 June 2023, with a carrying amount of EUR 127,596 thousand. It also held a receivable for the subordinated debt of EUR 55,741 thousand recognised as a non-financial asset under other loans. In 2022, due to the higher investments and costs incurred and the delay in the opening of the shopping centre, the Group recognised a write-down at 30 June 2022 of EUR 34,485 thousand.

In determining the value in use of the Group's interest in the Canalejas Project, a discounted cash 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.

The directors considered that there were no indications of impairment at 30 June 2023.

Four Seasons is still in the stabilisation stage, positioning itself in the luxury segment in Madrid, with occupancy and ADRs (Average Daily Rates) at levels of other luxury hotels operated by Four Seasons elsewhere in European capital cities. In addition to being rated a five-star hotel two years after it opened by Forbes Travel Guide (the only global rating system for luxury hotels, restaurants and spas), in 2023 its spa was also rated five stars, making it the only one in Madrid with this level. Both ratings clearly illustrate Four Seasons unique value proposition in Spain's capital.

Meanwhile, the shopping centre celebrated its first anniversary on 3 June. It started off 2023 performing well and features some of the world's leading retail brands: Aquazzura, Cartier, Hermès, OMEGA, Rolex, Saint Laurent, Valentino, Zegna, Jimmy Choo and Louis Vuitton. On 25 April 2023, Dior opened up its first establishment in Spain there, followed by Armani on 8 May 2023, which opened its first store in Madrid in nine years. The latest addition before the end of

this year will be Jil Sander which, like Aquazzura, will open its first permanent establishment in Spain.

The first storey of the shopping centre was opened in 2023, with Dior and Isolee shops. Steffano Ricci will be added soon. Space on the first floor is still being marketed and maximum occupancy of gross leasable area is expected to be reached in 2024, considering structural vacancies, with rents measured in €/m2/month in line with prime areas in Madrid where the asset is located.

Nominal cash flows were discounted at a rate of 7%, in line with the levels required by equity and debt creditors.

3.5.2 Joint operations

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

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

3.6 Non-current assets classified as held for sale and discontinued operations

Among the Group's key objectives since 2018 has been to monetise its non-core assets in a bid to reduce debt which, along with the major financial restructuring carried out in 2021, it is achieving.

An example is the decision to dispose of the investment in the concession operator of Centre Hospitalier de l'Université de Montréal in 2021 and the Services division in 2023.

Set out below is a summary of the impact on the presentation of the statement of financial position, statement of profit or loss and statement of cash flows:

	EUR thousand	
	30/06/2023	31/12/2022
Assets classified as held for sale and discontinued operations	162,232	28,814
Liabilities classified as held for sale and discontinued operations	66,020	42
	30/06/2023	30/06/2022
Profit/(loss) for the period from discontinued operations	59	2,895
Net cash flows from/(used in) discontinued operations	(7,271)	(4,167)

Assets and liabilities classified as held for sale

In accordance with IFRS 5, at 31 December 2021, the Group reclassified, to non-current assets and liabilities held for sale, assets and liabilities related to concession operator Centre Hospitalier de l'Université de Montréal (CHUM) after signing an agreement for the sale of the 25% stake held by OHLA Group in the concession operator, along with a subordinated loan. The reclassification was made at the carrying amounts, since they were below fair value less estimated costs to sell.

In 2022, since the conditions precedent to which that agreement was subject were not met, the agreement was cancelled and rendered without effect.

Nevertheless, the Group believes that this disposal is highly probable, and management remains committed to the sale, having engaged advisors for these procedures. It estimates that the sale will be negotiated at a reasonable price and above the carrying amount of the investment by the end of this year.

The following table sets out the composition of assets and liabilities classified as held for sale by nature at 30 June 2023 and 31 December 2022:

Assets held for sale	EUR thousand	
	30/06/2023	31/12/2022
Other non-current receivables	29,343	29,387
Investments accounted for using the equity method	(2,110)	(587)
Other receivables	1	13
Other current assets	1	1
Assets classified as held for sale	27,235	28,814
Liabilities held for sale	EUR thousand	
	30/06/2023	31/12/2022
Trade and other payables	1	41
Other current liabilities	1	1
Liabilities classified as held for sale	2	42

Discontinued operations

In addition to assets classified as held for sale at 30 June 2023, the Group reported the **Services division as a discontinued operation** as it estimates that at the reporting date it satisfied the requirements for reclassification in accordance with international accounting standards since it represents a separate major line of business.

In the first quarter of 2023, Group management began the process for selling the 100% stake in OHL Servicios Ingesan, S.A.U., the head of the Services division. The process gained momentum in the ensuing months and at the reporting date the sale was considered highly probable.

The impacts on the consolidated financial statements of the reclassification of the Services division as a discontinued operation are as follows:

1. In the statement of financial position, all the assets and liabilities were reclassified to "Non-current assets held for sale and discontinued operations" and "Non-current liabilities held for sale and discontinued operations", respectively.

2. The profit or loss after tax generated by the Services business is not reported in each line of the statement of profit or loss, but presented in a single line item, "Profit/(loss) after tax for the period from discontinued operations" in both 2023 and 2022 (restated). In accordance with IFRS 5, this item also includes any impairment loss for write-downs of the assets to fair value. However, based on the estimates of fair value made by the Group taking offers received and the advice of independent experts, there was no need to recognise any impairment as this value is above the consolidated carrying amount.
3. The net cash flows attributable to the operating, investing and financing activities of discontinued operations are presented separately.

The following table shows the line items in the statement of financial position as at 30 June 2023 affected by the new classification of the Services business.

	EUR thousand
Assets of discontinued operations	30/06/2023
Intangible assets	1,301
Property, plant and equipment	22,752
Goodwill	757
Non-current financial assets	294
Investments accounted for using the equity method	3
Deferred tax assets	2,002
Inventories	4,957
Trade and other receivables	93,995
Current financial assets	514
Current income tax assets	259
Other current assets	388
Cash and cash equivalents	7,775
Assets classified as discontinued operations	134,997
Liabilities of discontinued operations	30/06/2023
Other non-current financial liabilities	8,488
Deferred tax liabilities	747
Other non-current liabilities	50
Other current financial liabilities	3,525
Trade and other payables	21,245
Provisions	7,844
Current income tax liabilities	6
Other current liabilities	24,113
Liabilities classified as discontinued operations	66,018

The table below includes a breakdown by line of the profit or loss of the discontinued operation at 30 June 2023 and comparison with the prior period figure.

Profit or loss from discontinued operations	EUR thousand	
	30/06/2023	30/06/2022
Revenue	223,160	189,359
Other operating income	2,895	3,262
Total revenue	226,055	192,621
Cost of sales	(27,818)	(20,826)
Staff costs	(178,816)	(151,824)
Other operating expenses	(16,413)	(13,413)
Amortisation and depreciation	(2,629)	(1,802)
Change in provisions	(303)	(739)
Operating profit/(loss)	76	4,017
Finance income	222	6
Finance costs	(1,476)	(724)
Exchange differences (gains and losses)	1,385	391
Share of profit/(loss) of companies accounted for using the equity method	-	3
Profit/(loss) before tax	207	3,693
Income tax expense	(148)	(798)
Profit/(loss) after tax for the period from discontinued operations	59	2,895

Cash flows from discontinued operations in the six months ended 30 June 2023 and 2022 are as follows.

Cash flows from discontinued operations	EUR thousand	
	30/06/2023	30/06/2022
Net cash flows from/(used in) operating activities	(10,989)	6,157
Net cash flows used in investing activities	(6,894)	(5,377)
Net flows from/(used in) financing activities	10,612	(4,947)
Net cash flows used in discontinued operations	(7,271)	(4,167)

3.7 Trade and other receivables

Trade receivables

The reconciliation of the carrying amount of this item as at 30 June 2023 and 31 December 2022 is as follows:

	EUR thousand	
	30/06/2023	31/12/2022
Trade receivables		
Amounts to be billed for work or services performed	625,236	570,938
Progress billings receivable	441,750	557,494
Retentions	133,456	135,519
Trade notes receivable	1,154	1,126
Subtotal	1,201,596	1,265,077
Amounts billed in advance for construction work	(246,334)	(264,005)
Advances from customers	(278,838)	(276,850)
Total net of advances	676,424	724,222
Provisions	(99,544)	(100,797)
Total, net	576,880	623,425

A 30 June 2023, the balance of trade receivables was reduced by EUR 27,936 thousand (31 December 2022: EUR 59,271 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.

“Amounts to be billed for work or services performed” at 30 June 2023 stood at EUR 625,236 thousand (31 December 2022: EUR 570,938 thousand).

Most of the balance of work to be billed related to revenue from the main contracts and modifications of those contracts approved by the customer, in line with the Group's revenue recognition policy in accordance with IFRS 15. It does not include disputed claims. Balances related to modifications yet to be approved or other changes ordered supported contractually and with a high probability of approval are irrelevant and related to a large number of contracts of smaller amounts. If these modifications were not ultimately approved, the revenue recognised would be reversed, as provided for in the standard.

Also included in the balance are the differences between amounts of work executed and progress billings, which are normal differences arising during the approval by customers of work performed.

Of the balance of “Progress billings receivable” and “Trade notes receivable” as at 30 June 2023, which totalled EUR 442,904 thousand, 60.5% related to the public sector and 39.5% to the private sector (31 December 2022: EUR 558,620 thousand, of which 70.2% related to the public sector and 29.8% to the private sector).

Other receivables

The reconciliation of the carrying amount of this item as at 30 June 2023 and 31 December 2022 is as follows:

	EUR thousand					
	30/06/2023			31/12/2022		
	Gross balance	Impairment losses	Net balance	Gross balance	Impairment losses	Net balance
Receivable from associates	151,905	(1,211)	150,694	144,222	(1,189)	143,033
Employee receivables	1,594	-	1,594	1,437	-	1,437
Tax receivables	100,345	-	100,345	92,157	-	92,157
Other receivables	86,255	(6,140)	80,115	59,191	(6,596)	52,595
Total	340,099	(7,351)	332,748	297,007	(7,785)	289,222

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

The net balance of other receivables as at 30 June 2023 and 31 December 2022 relates to the rendering of services and the lease of machinery and materials.

3.8 Cash and cash equivalents

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

The balance of this item at 30 June 2023 was EUR 401,047 thousand (31 December 2022: EUR 469,311 thousand), of which EUR 219,581 thousand (31 December 2022: EUR 185,796 thousand) related to the UTEs in which the Group held interests. There is also EUR 2,614 thousand of restricted cash (31 December 2022: EUR 2,934 thousand) related to other guarantees

3.9 Share capital

Under the scope of the Restructuring carried out by the Group in 2021, the Parent executed a number of transactions, after which Obrascón Huarte Lain, S.A.'s share capital amounted to EUR 147,781,146, divided into 591,124,583 fully subscribed and paid shares of EUR 0.25 par value each, all of the same class and series.

The following table shows corporations and natural persons with a direct or indirect ownership interest of 3% or more in the share capital of Obrascón Huarte Lain, S.A. as at 30 June 2023:

Corporation/natural person	% ownership interest
Concerted action (Luis Fernando Martin Amodio and Julio Mauricio Martin Amodio)	25.97
Simon Davies	15.00
Antoine Georges Chedraoui	4.90

3.10 Share premium

As at 30 June 2023 and 31 December 2022, the Parent's share premium account had a balance of EUR 1,328,128 thousand.

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.

3.11 Treasury shares

Changes in the six months ended 30 June 2023 and full year 2022 were as follows:

	No. of shares	EUR thousand
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
Purchases	20,863,505	10,987
Sales	(20,901,667)	(11,006)
Balance at 30 June 2023	700,695	322

3.12 Reserves

Breakdown of the balances of this consolidated statement of financial position item as at 30 June 2023 and 31 December 2022:

	EUR thousand	
	30/06/2023	31/12/2022
Restricted reserves of the parent		
Legal reserve	29,556	29,556
Capital redemption reserve	11,182	11,182
Subtotal	40,738	40,738
Voluntary and consolidation reserves		
Attributable to the parent	(733,544)	(674,425)
Attributable to consolidated companies	(220,572)	(185,878)
Subtotal	(954,116)	(860,303)
Total	(913,378)	(819,565)

The change in the Parent's voluntary reserves in the first half of 2023 was due mainly to the distribution of 2022 loss (of EUR 66,079 thousand).

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

3.13 Valuation adjustments

Translation differences

Translation differences by country as at 30 June 2023 and 31 December 2022:

	EUR thousand	
Country	30/06/2023	31/12/2022
Saudi Arabia	1,325	1,450
Canada	(3,376)	(3,367)
Colombia	5,074	7,320
Mexico	(40,250)	(38,968)
Chile	(5,965)	(10,039)
Sweden	(1,539)	(716)
Czech Republic	10,952	8,479
United States	25,027	34,662
Other countries	1,204	415
Total	(7,548)	(764)

3.14 Bank borrowings, and issues of notes and other marketable securities

The balances of bank borrowings and issues of notes and other marketable securities on the statement of financial position as at 30 June 2023 and 31 December 2022 are as follows:

	EUR thousand	
	30/06/2023	31/12/2022
Non-current liabilities		
Issue of corporate notes	408,861	428,400
Bank borrowings	42,385	3,692
Current liabilities		
Issue of corporate notes	8,141	8,707
Bank borrowings	55,277	26,778
Total	514,664	467,577

3.14.1 Issue of notes and other marketable securities

On 18 January 2023, the Parent disclosed to the market that, in compliance with the terms and conditions of the note, it would apply the amounts received from subsidiary Obrascón Huarte Lain Desarrollos, S.A.U. as deferred payment for the sale in 2021 of its stake in the Old War Office project to the partial redemption of the notes.

Therefore, once the partial tender offer concluded, the 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).

The **main characteristics of the Notes** are as follows:

Issuer	Issue date	Coupon	PIK	Maturity of nominal amount		Guarantees
				2025	2026	
OHL Operaciones, S.A.U.	June 21	5.10 %	1.50 %	206,105	206,104	Personal guarantees and security interests

EUR thousand

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

The nominal interest at a rate of 5.1% per annum is payable every six months, on 15 March and 15 September each year. Therefore, on 15 March 2023, payment of the coupon for EUR 10,704 thousand was made for accrued interest as at that date.

At each interest payment date, PIK (payment-in-kind) interest is capitalised and added to the total outstanding principal. The actual cash outflow in this connection will occur on 31 March 2025 and 31 March 2026.

The Notes are guaranteed on an unsubordinated basis by the Parent, OHL Holding, S.à.r.l., OHL Iniciativas, S.à.r.l. and by the Guarantors (the "Personal Guarantees").

There are also pledges over shares of certain Group companies and the Parent's or any of its group companies' receivables.

The Guarantees are divided up among the noteholders and other of the Parent's financial creditors, especially the guarantee facilities.

The terms and conditions of the notes restrict third-party borrowings by Group companies, dividend distributions and use of proceeds from asset sales, and include regular reporting obligations to the noteholders.

The notes are registered with and listed on the Vienna Stock Exchange.

Breakdown of the **carrying amount of the Notes**.

	EUR thousand		
	Non-current	Current	Total
2025-2026 Notes			
Nominal	487,267	-	487,267
Tender offer, nominal amount March 2022	(43,067)	-	(43,067)
Tender offer, nominal amount February 2023	(31,991)	-	(31,991)
Fair value adjustment	(14,033)	-	(14,033)
Accrued coupon	-	6,290	6,290
PIK interest	10,685	1,851	12,536
Balance at 30 June 2023	408,861	8,141	417,002

Following the partial redemption of the notes carried out by the Group for a nominal amount of EUR 31,991 thousand, the new outstanding nominal amount was EUR 412,209 thousand. The fair value recognised was also adjusted in proportion to the cancellation.

The contractual maturities of the notes on a cash outflow basis are: EUR 10,783 thousand in 2023; EUR 21,981 thousand in 2024; EUR 246,360 thousand in 2025 and EUR 245,899 thousand in 2026.

3.14.2 Bank borrowings

The maturity schedule of bank borrowings as at 30 June 2023 is as follows:

	EUR thousand					
	from 30/06/2023 to 30/06/2024	from 01/07/2024 to 31/12/2024	2025	2026	2027	Total
Progress billing and note discounting facilities	766	-	-	-	-	766
Mortgage loans	31	9	1	-	-	41
Loans and credit facilities	53,895	39,175	560	560	2,080	96,270
Total loans	54,692	39,184	561	560	2,080	97,077
Unmatured accrued interest payable	585	-	-	-	-	585
Total unmaturred accrued interest payable	585	-	-	-	-	585
Total	55,277	39,184	561	560	2,080	97,662

- Progress billing and note discounting facilities

	EUR thousand	
	30/06/2023	31/12/2022
Limit	11,797	7,423
Amount drawn down	766	4,201
Undrawn balance	11,031	3,222

The average interest rate on the amounts drawn down on progress billing facilities in the first six months of 2023 was 8.56%.

- Mortgage loans

As at 30 June 2023, certain items of property, plant and equipment amounting to EUR 361 thousand (31 December 2022: EUR 365 thousand) had been mortgaged as security for loans of EUR 16 thousand (31 December 2022: EUR 33 thousand).

As at 30 June 2023, certain investment properties amounting to EUR 158 thousand (31 December 2022: EUR 159 thousand) had been mortgaged as security for loans of EUR 25 thousand (31 December 2022: EUR 33 thousand).

- Bridge financing agreement (ICO)

On 19 May 2023, the Parent entered into a bridge financing agreement with a limit of EUR 40,000 thousand. The contract has an ICO guarantee covering 70% of the amount of financing, in addition to a first ranking pledge over the shares of OHL Servicios Ingesan, S.A.U.

This is a non-renewable credit facility maturing 19 November 2024 with the possibility of early cancellations in accordance with the terms and conditions of the contract.

As at 30 June 2023, the entire amount of the facility had been drawn down.

The interest rate applicable to the amount drawn down under the bridge financing is the Euribor rate plus a spread of 3.5% up to a total amount of less than EUR 25,000 thousand and of 5.5% for an amount equal to or greater than EUR 25,000 thousand.

- Financing in the United States

On 28 June 2022, Judlau Contracting, Inc. signed a credit line for up to EUR 82,827 thousand with a sub-limit of EUR 41,414 thousand for guarantees.

As at 30 June 2023, EUR 24,388 thousand of this credit line and EUR 38,655 thousand on guarantees had been drawn.

This facility has additional personal guarantees of OHLA USA, Inc. and associates of Judlau Contracting, Inc.

The credit line matures on 28 June 2025.

Interest applicable on amounts drawn down is floating and at 30 June 2023 was 6.60% (SOFR + 1.75 spread).

- Limits on loans and credit facilities

	EUR thousand	
	30/06/2023	31/12/2022
Limit	121,891	64,225
Amount drawn down	97,567	26,203
Undrawn balance	24,324	38,022

The average interest rate on the amounts drawn down on credit facilities in the first six months of 2023 was 8.72%.

3.15 Other financial liabilities

Breakdown of other financial liabilities as at 30 June 2023 and 31 December 2022:

	EUR thousand	
	30/06/2023	31/12/2022
Lease liabilities, non-current	42,267	45,414
Lease liabilities, current	19,012	19,233
Total	61,279	64,647

3.16 Other liabilities

The breakdown of this consolidated statement of financial position item as at 30 June 2023 and 31 December 2022 is as follows:

	EUR thousand			
	30/06/2023		31/12/2022	
	Non-current	Current	Non-current	Current
Payable to associates	-	47,887	-	59,464
Salaries payable	-	37,144	-	36,748
Tax payables	-	56,272	-	74,447
Other non-trade payables	26,994	61,630	30,832	47,370
Guarantees and deposits received	171	1,225	1,971	1,225
Other	-	224	-	241
Total	27,165	204,382	32,803	219,495

3.17 Tax matters

Consolidated tax group

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

Accounting for taxes

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

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

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

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

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

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

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

Income tax expense

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

	EUR thousand	
	30/06/2023	30/06/2022 (*)
Consolidated profit/(loss) before tax	11,048	(50,595)
Share of profit/(loss) of companies accounted for using the equity method	(3,513)	6,093
Subtotal	7,535	(44,502)
Tax charge at 25%	(1,884)	11,126
Net impact of other permanent differences, tax credits, domestic tax rate differential and adjustments	(8,968)	(23,520)
(Income tax expense)/ income	(10,852)	(12,394)

(*) Restated and unaudited figures

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

Years open for review by the taxation authorities

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

At 30 June 2023, the companies comprising the Group were subject to review by the taxation authorities for the tax periods that were not beyond the statute of limitations for all taxes applicable pursuant to the legislation in force in the various jurisdictions in which they operate.

The Parent's directors consider that the tax returns for all the taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions or of potential tax audits of the years open for review, any contingent tax liabilities that may arise would not have a material effect on the accompanying interim condensed consolidated financial statements for the six months at 30 June 2023.

3.18 Revenue and expenses

Revenue

Revenue for the Group in the six months ended 30 June 2023 amounted to EUR 1,412,373 thousand (2022: EUR 1,263,050 thousand as restated), an increase of 11.8%, broken down by business activity as follows:

Business activity	EUR thousand		% change
	30/06/2023	30/06/2022 (*)	
Construction	1,309,150	1,207,881	8.4 %
Industrial	90,409	44,520	103.1 %
Other	12,814	10,649	20.3 %
Total revenue	1,412,373	1,263,050	11.8 %

(*) Restated and unaudited figures

The breakdown of revenue by geographical market in the first six months of 2023 and 2022 is as follows:

Geographical area	EUR thousand	
	30/06/2023	30/06/2022 (*)
US and Canada	519,484	519,574
Mexico	17,681	5,501
Chile	90,165	99,347
Peru	94,304	96,370
Colombia	16,115	20,558
Spain	337,276	250,152
Central and Eastern Europe	193,012	184,133
Other countries	144,336	87,415
Total revenue	1,412,373	1,263,050

(*) Restated and unaudited figures

Other operating income

Other operating income in the six months ended 30 June 2023 amounted to EUR 71,314 thousand (2022: EUR 54,122 thousand as restated).

Cost of sales

Cost of sales amounted to EUR 775,417 thousand in the first six months of 2023 (2022: EUR 738,486 thousand as restated).

Staff costs

Staff costs in the six months ended 30 June 2023 totalled EUR 313,910 thousand (2022: EUR 277,095 thousand as restated).

In 2021, the Parent approved a remuneration scheme for certain managers upon their dismissal/departure. The amount recognised in profit or loss in the first half of 2023 was EUR 648 thousand. In this connection, the Group recognises a non-current provision for employee benefits expense in the consolidated statement of financial position.

Other operating expenses

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

	EUR thousand	
	30/06/2023	30/06/2022 (*)
External services	(164,656)	(124,923)
Taxes other than income tax	(7,697)	(8,176)
Other operating expenses	(171,156)	(134,324)
Total	(343,509)	(267,423)

(*) Restated and unaudited figures

Finance income

Finance income in the six months ended 30 June 2023 amounted to EUR 12,972 thousand (2022: EUR 5,333 thousand as restated) and related mainly to income from late-payment interest and loans to associates.

Finance costs

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

	EUR thousand	
	30/06/2023	30/06/2022 (*)
On the financing of current transactions	(33,047)	(34,834)
On finance leases and deferred purchases of non-current assets	(1,485)	(1,276)
On the discounting of provisions	25	20
Total	(34,507)	(36,090)

(*) Restated and unaudited figures

The main item as at 30 June 2023 related to interest on the notes, for EUR 24,112 thousand.

Exchange differences (gains and losses)

Exchange gains in the first six months of 2023 amounted to EUR 10,333 thousand (2022: EUR 13,557 thousand of exchange losses as restated).

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

The net gain in the six months ended 30 June 2023 amounted to EUR 753 thousand (2022: EUR 54 thousand net loss as restated).

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

The Group's share of profit in the six months ended 30 June 2023 amounted to EUR 3,513 thousand (2022: EUR 6,093 thousand loss as restated) (see Note 3.5.1).

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

This statement of profit or loss item in the six months ended 30 June 2023 amounted to EUR 3,958 thousand (2022: EUR 23,211 thousand negative as restated).

3.19 Consolidated statement of cash flows

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

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

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

Operating activities

“Other adjustments”:

	EUR thousand	
	30/06/2023	30/06/2022 (*)
Change in provisions	(2,104)	(26,482)
Financial profit/(loss)	6,491	67,579
Share of profit/(loss) of companies accounted for using the equity method	(3,513)	6,093
Total	874	47,190

(*) Restated and unaudited figures

Net cash flows used in operating activities in the six months ended 30 June 2023 amounted to EUR 26,934 million.

Investing activities

Net cash flows used in investing activities in the first six months of 2023 amounted to EUR 26,375 thousand.

Payments for investments amounted to EUR 53,971 thousand.

Proceeds from disposals amounted to EUR 27,432 miles.

Financing activities

Net cash flows from financing activities in the six months ended 30 June 2023 amounted to EUR 2,695 thousand, mostly from proceeds from borrowings, which were counterbalanced by the partial redemption of notes (see Note 3.14) and payment of the related interest.

Considering these cash inflows and outflows and net foreign exchange differences, cash and cash equivalents at the end of the period amounted to EUR 401,047 thousand.

4. OTHER DISCLOSURES

4.1 Segment information

An operating segment is defined in the standards as a segment that has a segment manager who is directly accountable to and maintains regular contact with the chief operating decision maker to discuss operating activities, financial results, forecasts, or plans for the segment. The standard also states that if those characteristics apply to more than one set of components of an organisation but there is only one set for which segment managers are held responsible, that set of components constitutes the operating segments.

The Group considers that segmentation based on the various business areas in which it operates best represents it, as follows:

- Construction
- Industrial
- Other (other minor businesses, corporate and consolidation adjustments)

Other minor businesses include mostly financial investments held by the Group currently in the Canalejas Project, financial assets of Cercanías Móstoles Navalcarnero, S.A. and Autopista Eje Aeropuerto Concesionaria Española, both of which are in liquidation, and activity of other concession businesses.

Set out below is the reconciliation of segment revenue to consolidated revenue for the six months ended 30 June 2023 and 2022:

Segment	EUR thousand					
	30/06/2023			30/06/2022 (*)		
	Revenue from external customers	Inter-segment revenue	Total revenue	Revenue from external customers	Inter-segment revenue	Total revenue
Construction	1,309,150	8,907	1,318,057	1,207,881	3,989	1,211,870
Industrial	90,409	913	91,322	44,520	1,620	46,140
Other	12,814	8,879	21,693	10,649	2,639	13,288
Adjustments to and eliminations of inter-segment revenue	-	(18,699)	(18,699)	-	(8,248)	(8,248)
Total	1,412,373	-	1,412,373	1,263,050	-	1,263,050

(*) Restated and unaudited figures

Set out below is the reconciliation of segment profit/(loss) to profit/(loss) before tax for the six months ended 30 June 2023 and 2022:

Segment	EUR thousand	
	30/06/2023	30/06/2022 (*)
Construction	88,461	47,030
Industrial	7,939	5,505
Other	(85,352)	(103,130)
Profit/(loss) before tax	11,048	(50,595)

(*) Restated and unaudited figures

The following table provides basic segment assets and liabilities as at 30 June 2023 and 31 December 2022:

	EUR thousand				
	30/06/2023				
	Construction	Industrial	Other	Discontinued operation (Services)	Total Group
Current assets	1,940,757	160,569	162,834	136,123	2,400,283
Current liabilities	1,747,051	138,821	(14,823)	119,795	1,990,844
Non-current assets	447,471	17,198	361,468	-	826,137
Non-current liabilities	151,711	41,499	488,917	-	682,127

	EUR thousand				
	31/12/2022				
	Construction	Industrial	Other	Discontinued operation (Services)	Total Group
Current assets	1,870,923	161,209	229,533	102,715	2,364,380
Current liabilities	1,725,567	145,017	19,190	98,960	1,988,734
Non-current assets	438,231	15,182	354,204	22,317	829,934
Non-current liabilities	130,793	41,040	468,739	7,753	648,325

4.2 Number of employees

The following table sets out the average number of employees in the first six months of 2023 and 2022 by employee category and gender and by continuing and discontinued operations:

Continuing operation Employee category	Average number of employees	
	30/06/2023	30/06/2022
Senior managers/executives	74	74
Middle managers	837	902
Other line personnel	3,083	2,830
Clerical staff	573	497
Other employees	4,909	3,965
Total	9,476	8,268
Permanent employees	6,760	5,898
Temporary employees	2,716	2,370
Total	9,476	8,268
Men	7,981	6,876
Women	1,495	1,392
Total	9,476	8,268

Cash-generating unit Employee category	Average number of employees	
	30/06/2023	30/06/2022
Senior managers/executives	15	14
Middle managers	60	85
Other line personnel	263	209
Clerical staff	78	81
Other employees	15,710	14,208
Total	16,126	14,597
Permanent employees	13,349	10,571
Temporary employees	2,777	4,026
Total	16,126	14,597
Men	4,005	3,683
Women	12,121	10,914
Total	16,126	14,597

4.3 Related party transactions

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

In March 2023, Grupo Villar Mir, S.A.U. (GVM) ceased to hold a significant interest in OHL, S.A., with director Juan Villar-Mir de Fuentes stepping down on 30 June 2023.

Therefore, the Group included as related party transactions those carried out up to 30 June 2023 and did not consider outstanding balances with GVM.

The following table sets out related party transactions carried out in the first six months of 2023 and 2022:

	EUR thousand			
	30/06/2023	% of total	30/06/2022 (*)	% of total
Revenue and expenses				
Revenue	25	0.00 %	39	0.00 %
Other operating income	-	0.00 %	-	0.00 %
Other operating expenses	226	0.07 %	1,041	0.38 %
Profit/(loss) of discontinued operations	(13)	0.00 %	8	0.00 %
Other transactions				
Repayment or cancellation of loans granted	-	-	12,055	-
Cancellation of guarantees	370	-	314	-
Other transactions	-	-	102	-

The breakdown of related party transactions in the first six months of 2023 is as follows:

Taxpayer identification number (CIF)	Related party	Item	Group company	EUR thousand
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	23
A-82500257	Grupo Villar Mir, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	2
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Transactions of discontinued operations	OHL Servicios-Ingosan, S.A.U.	13
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	1
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	4
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Chemtrol Proyectos y Sistemas, S.L.	8
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	2
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Pacadar, S.A.U.	196
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	13
B-80209232	Inse Rail, S.L.	Other operating expenses	Obrascón Huarte Lain, S.A.	2
Other transactions				
B-09925785	Espacio Promoción IV, S.L.	Provision of guarantees	Obrascón Huarte Lain, S.A.	221
B-83962225	Espacio Living Homes, S.L.	Cancellation of guarantees	Obrascón Huarte Lain, S.A.	591

Related party balances as at 30 June 2023 and 31 December 2022 were as follows:

	EUR thousand			
	30/06/2023	% of total	31/12/2022	% of total
Non-current assets				
Other loans	-	0.0 %	17,806	16.2 %
Current assets				
Trade receivables	200	0.0 %	998	0.1 %
Other receivables	-	0.0 %	14	0.0 %
Other loans	-	0.0 %	11,150	74.0 %
Current liabilities				
Advances received from customers	-	0.0 %	166	0.0 %
Trade payables	-	0.0 %	10	0.0 %

4.4 Contingent assets and liabilities

4.4.1 Contingent assets

There were no material contingent assets as at 30 June 2023 and 2022.

4.4.2. Contingent liabilities and guarantees

4.4.2.1 Guarantees provided to third parties

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

As at 30 June 2023, Group companies had provided guarantees to third parties amounting to EUR 3,391,332 thousand (31 December 2022: EUR 3,542,485 thousand), of which EUR 3,343,636 thousand (31 December 2022: EUR 3,496,638 thousand) related to performance bonds provided to government bodies and private customers to guarantee successful completion of construction work; the remainder related to provisional guarantees for construction tenders.

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

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

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

Joint and several personal financial guarantees

In addition, some Group companies had provided joint and several personal guarantees to a range of entities – mainly banks – as security for credit facilities granted to associates. At 30 June 2023, these guarantees amounted to EUR 1,540 thousand (31 December 2022: EUR 1,845 thousand).

The Parent's directors do not expect these guarantees to give rise to additional liabilities affecting the interim condensed consolidated financial statements for the six months ended 30 June 2023.

Investment commitments

Under their concession contracts, concession operators must make specified investments (see Note 3.2.).

Financing for the investments is primarily through non-recourse external financing granted to concession operators and, to a lesser extent, equity contributions and cash flows from the projects. As the amounts to be obtained via loans and the cash flows to be generated are estimates and not fixed amounts, there is no specific amount or timing of capital contributions to be made by subsidiaries so the Group can meet its obligations.

4.4.2.2 Litigation

At 30 June 2023, the Parent and its subsidiaries were involved in a range of disputes arising from the ordinary course of business.

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

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

The joint venture seeks an award ordering reimbursement of enforced guarantees (QAR 880 million, or EUR 222.1 million), payment for scope modifications that were executed but remain unpaid, as acknowledged in the partial award (QAR 182 million, or EUR 45.9 million), acknowledgement of and payment for scope modifications that were executed but remain unpaid, in respect of which an arbitral award is yet to be made (QAR 76 million, or EUR 19.2 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 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 656.3 million), defect repair costs (QAR 124 million, or EUR 31.3 million), defect repair costs yet to be fully determined (QAR 106 million, or EUR 26.8 million), further costs relating to defect repairs (QAR 238 million, EUR 60.1 million) and liquidated damages for the delay caused by the joint venture (QAR 792 million, EUR 199.9 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 222.1 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 45.9 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 31.3 million), a fixed amount that operates as a claim in favour of QF. No award ordering payment has yet been made. Any such award will be rendered once all the parties' claims have been determined and evaluated.

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

- On 7 February 2017, Rizzani de Eccher, SpA, Trevi, SpA and 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 300.9 million), or, in the alternative, KWD 90.4 million (EUR 270.4 million), plus, in any event, KWD 2.3 million (EUR 6.9 million), based on an assessment by independent consultants. Kuwait filed a counter-memorial, containing a counter-claim for KWD 32.1 million (EUR 96 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, Obrascon Huarte Lain, S.A. and Qatar Building Company filed a request for arbitration before the International Chamber of Commerce against Qatar Railways Company in connection with the contract **“Design & Build Package 5 – Major Stations – Doha Metro Project”**. OHL owns a 30% stake in the joint venture, a construction company. The joint venture seeks damages initially estimated at QAR 1,500 million (EUR 378.6 million). Kuwait filed an initial counter-claim for QAR 1,000 million (EUR 252.4 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 353.4 million). Qatar Railways then counter-claimed for damages initially estimated at QAR 860 million (EUR 217.1 million).

The Parent's directors drew the conclusion that, despite the remaining uncertainty, it is unlikely that the Group 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 43.1 million) as a consequence of PGB's liabilities as a partner in the construction consortium for the Slowackiego IV project in Gdansk, Poland. PGB has entered bankruptcy. The company is deciding what its next steps will be.
- The Group filed an arbitration claim against Anesrif (the Algerian agency for railway investment) arising from a contract for construction of **the Annaba railway**. On 14 June 2023, an award was issued which basically ordered Anesrif to pay EUR 17.5 million (net after compensation) to the Company and to return to it the EUR 19.5 million of performance bonds.
- The Group is a party to an arbitration proceeding initiated by **Autopista Rio Magdalena, S.A.** (a company of the Aleática Group, formerly OHL Concesiones) to resolve disputes arising from the contract for construction of the Rio Magdalena Highway (Colombia) that led to early termination of the contract in April 2019. Here, the Group seeks damages of COP 313,769 million (EUR 69.3 million), while Autopista Rio Magdalena claims COP 1,149,659 million (EUR 254.1 million). In connection with this arbitration proceeding, Autopista Rio Magdalena has sued the surety companies in the courts, claiming COP 127,719 million (EUR 28.2 million) in advance payments and COP 164,513 million (EUR 36.4 million) in performance bonds. The Group is involved in the proceedings as a joint claimant and guarantor. The amounts are also claimed by Autopista Rio Magdalena in the arbitration proceeding.

The Parent's directors, based on the legal opinions provided by third parties, believe it is unlikely that the arbitration award will cause any economic loss to the Group.

- The Group is suing the Chilean tax ministry and the Chilean ministry of public works in over the contract to build the **Chacrilas reservoir**. The Group seeks damages of CLP 30,169 million (EUR 34.6 million).
- On 24 November 2022, OHL was sued by Aleatica, S.A., which claimed USD 62.7 million (EUR 57.7 million) or subsidiarily USD 53.5 million (EUR 49.2 million). This claim relates to a receivables assignment agreement entered into on 28 September 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 Group has rejected the claim.

Based on reports from a law firm, the Parent's directors do not see any reasons to recognise a provision in this connection.

- The Group has received a request for arbitration proceedings by Promet Montajes SpA, OHL Industrial Chile, S.A.'s subcontractor in the Mantos Blancos project in Chile. Promet is initially seeking UFs 1.4 million in its claim (EUR 58 million). The Group counter-claimed for UFs 0.77 million (EUR 31.9 million).

The Parent's directors drew the conclusion that, despite the remaining uncertainty and the original circumstances, it is unlikely that the Group will suffer any additional economic loss.

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

- On 16 July 2021, a fully favourable ruling was issued for case 882/2019 in Madrid Court of First Instance No. 10 against OHLA brought by the funds TDA 2015-1 Fondo de Titulización,

TDA 2017-2 Fondo de Titulización, Bothar Fondo de Titulización and Kommunalkredit Austria, Ag. The claimants, as creditors, argued that the borrower was under certain obligations set out in the Sponsor Agreement entered into by the borrower as part of the project finance for a concession operator now in liquidation, **Autopista Eje Aeropuerto Concesionaria Española, S.A.U.** The ruling dismissed the claimant funds' case in its entirety.

The funds appealed the ruling, resulting in appeal 926/21, of the Madrid High Court. This proceeding concluded, with a ruling issued in May and notified on 29 June 2023 that was fully favourable to Obrascón Huarte Lain S.A.

The value of the claim is EUR 212.4 million, in the form of a subordinate loan, contribution to equity, capital increase amount, or damages, plus EUR 70.9 million in late payment interest.

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

In its decision of 13 October 2015, the court ordered commencement of the liquidation procedure and, accordingly, the termination of the contract.

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

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

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

In October 2019, the Group lodged an application for judicial review (case 276/2019) in respect of the insolvency of Autopista Eje Aeropuerto Concesionaria Española, S.A. before the Third Chamber of the Supreme Court, challenging a resolution of the Council of Ministers of 26 April 2019 construing a range of toll motorway concession contracts. The Group disputed the method of calculation of State liability. The appeal was partially upheld in certain aspects.

In February 2020, the concession operator in liquidation received a governmental notice stating a preliminary calculation of State liability as being nil. Therefore, the company contested the final decision in the administrative proceeding determining State liability by lodging an application for judicial review in Section 5 of the judicial review division of the Supreme Court (case PO: 121/21).

The Council of Ministers issued a new resolution on 28 December 2021 amending the amount of the State liability to be received by Autopista Eje Aeropuerto. Pursuant to this resolution, this company was paid EUR 59.4 million; i.e. the recognised amount of EUR 46.5 million plus

interest. The company widened the scope of appeal 121/21 to include this decision by the Council of Ministers since the amount received is not the amount originally sought by the company in its application. The proceeding is currently suspended for a period of up to two years (i.e. end of the statute of limitations according to civil procedural law in Spain).

The Company intends to resume the lawsuit in November this year after coordinating the action with the experts (KPMG and AUREN) assessing the amounts that may be sought. According to their respective reports, the figure could be around EUR 70 million, in addition to any interest and costs of compulsory expropriation considered recoverable to the extent that the damage is not attributable to the concession operator, as well as any other items being analysed by these experts.

Settlement will be recalculated by the Council of Ministers applying the criteria in the ruling challenging the resolution of the Council of Ministers. However, after analysing the ruling, although legal proceedings are still ongoing regarding settlement of the State liability, the directors and their legal advisors consider it unlikely that OHLA Group will recover the amount of its investment in Aeropistas, S.L., the sole shareholder of Autopista Eje Aeropuerto Concesionaria Española S.A. Therefore, the Group recognised an impairment loss for the full amount, of EUR 18.6 million, at year-end 2021.

- In October 2020, Concession operator **Cercanías Móstoles Navalcarnero, S.A.** filed a further administrative claim to recover EUR 53 million from the Madrid regional government (CAM) in respect of additional construction work requested by the government outside the scope of the concession contract. The claim was rejected by “administrative silence”, resulting in an appeal to the Madrid High Court for judicial review (PO 1529/21), which is still proceeding.

The Parent's directors, based on external legal opinions, consider that the recoverability of those financial assets recognised is probable (see Note 3.6).

Regarding the “**Lezo Affair**”:

- Ancillary proceeding 3.

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

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

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

- Ancillary proceeding 8.

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

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

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

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

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

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

Contingent liabilities

“Contingent liabilities” are ordinary liabilities for fulfilment of construction contracts entered into by 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 Group is not expected to incur any loss in this regard.

Further events worth disclosing:

- 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:

- declare the earlier proceedings S/DC/0611/17 to have expired, and
- 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 Parent for alleged practices of “horizontal collusion” (i.e., price-fixing) in

connection with government tenders in Peru in the period 2002-2016. The proposed fine would come to USD 51 million (EUR 46.9 million). On 17 November 2021, a first-instance decision was issued, imposing a penalty on the Group of UIT 28,268.88 (EUR 35.5 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, there was no need to recognise any provision in this connection in the six months ended 30 June 2023.

4.5 Remuneration of directors and senior management

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.

In the six months ended 30 June 2023, there was no pension scheme in place 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 30 June 2023, the Chief Executive Officer resigned from the Company, reaching an agreement with the Board of Directors on that date to trigger the one-year non-competition clause in his contract in exchange for compensation of EUR 2.8 million, gross, payable in 12 equal monthly payments of EUR 233,333, gross.

The following is a breakdown of remuneration accrued during the six months ended 30 June 2023 with comparative information for the same period last year:

Remuneration	EUR thousand	
	30/06/2023	30/06/2022
DIRECTORS		
Remuneration items:		
Remuneration for membership of the Board and/or Board committees	647	658
Salaries	600	600
Other items	47	9
Total	1,294	1,267
SENIOR MANAGEMENT		
Total remuneration to senior management	3,224	3,872

5. EVENTS AFTER THE REPORTING PERIOD

No significant event occurred after the date of authorisation for issue of these interim condensed consolidated financial statements for the six months ended 30 June 2023.

6. ADDITIONAL NOTE FOR ENGLISH TRASLATION

These interim condensed consolidated 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.

APPENDIX I

SELECTED SEPARATE FINANCIAL INFORMATION OF OBRASCON HUARTE LAIN, S.A. FOR THE SIX MONTHS ENDED 30 June 2023

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OBRASCÓN HUARTE LAIN, S.A.

Statement of financial position as at 30 June 2023 and 31 December 2022

ASSETS	30/06/2023	31/12/2022
NON-CURRENT ASSETS		
Intangible assets		
Patents, licenses, trademarks and similar rights	11	11
Computer software	2.371	2.422
Other intangible assets	527	615
	2.909	3.048
Property, plant and equipment		
Land and buildings	720	722
Machinery and technical installations	19.729	23.565
Other installations, equipment and furniture	4.451	4.357
Investments in concessions	34	34
Other property, plant and equipment	17.332	13.283
	42.266	41.961
Investment properties	768	776
Non-current investments in group companies and associates		
Equity instruments	1.276.148	1.329.824
Loans to third parties	84.388	84.902
	1.360.536	1.414.726
Non-current financial assets		
Equity instruments	13	13
Debt securities	2.088	2.091
Derivatives	253	313
Other financial assets	10.241	10.052
	12.595	12.469
Deferred tax assets	33.758	36.998
TOTAL NON-CURRENT ASSETS	1.452.832	1.509.978
CURRENT ASSETS		
Inventories		
Raw materials and other supplies	14.903	13.975
Auxiliary shop projects and site installations	4.244	18.346
Advances to suppliers and subcontractors	22.810	16.940
	41.957	49.261
Trade and other receivables		
Trade receivables	312.548	314.451
Trade receivables from group companies	20.718	17.504
Trade receivables from associates	3.772	6.247
Other receivables	56.823	21.917
Employee receivables	844	876
Current tax assets	30.783	29.418
Other tax receivables	12.011	12.858
	437.499	403.271
Current investments in group companies and associates		
Loans to companies	133.976	117.549
Other financial assets	50.519	49.807
	184.495	167.356
Current financial assets		
Equity instruments	3	3
Loans to companies	2	2
Other financial assets	181.173	180.644
	181.178	180.649
Current prepayments and accrued income	23.153	17.479
Cash and cash equivalents	93.431	91.265
TOTAL CURRENT ASSETS	961.713	909.281
TOTAL ASSETS	2.414.545	2.419.259

OBRASCÓN HUARTE LAIN, S.A.

Statement of financial position as at 30 June 2023 and 31 December 2022

EQUITY AND LIABILITIES	30/06/2023	31/12/2022
EQUITY		
Share capital	147.781	147.781
Share premium	1.328.128	1.328.128
Reserves	156.957	156.975
(Own shares and equity holdings)	(322)	(341)
Retained earnings (prior years' losses)	(851.913)	(785.834)
Profit/(loss) for the period	(45.981)	(66.079)
TOTAL CAPITAL AND RESERVES	734.650	780.630
TOTAL EQUITY	734.650	780.630
NON-CURRENT LIABILITIES		
Non-current provisions	32.220	23.971
Non-current loans and borrowings		
Bank borrowings	38.713	18
Finance lease payables	2.396	195
Other financial liabilities	10.113	14.591
	51.222	14.804
Non-current loans and borrowings with group companies and associates	539.884	532.662
Deferred tax liabilities	7.039	4.570
TOTAL NON-CURRENT LIABILITIES	630.365	576.007
CURRENT LIABILITIES		
Current provisions	118.646	123.681
Loans and borrowings		
Bank borrowings	19.058	9.055
Finance lease payables	1.212	145
Other financial liabilities	16.499	20.605
	36.769	29.805
Current loans and borrowings with group companies and associates	244.349	258.760
Trade and other payables		
Trade payables	266.913	276.093
Trade notes payable	52.371	41.895
Trade payables to group companies	38.766	27.323
Trade payables to associates	8.318	9.244
Personnel (salaries payable)	12.223	10.898
Current tax liabilities	546	5.365
Other tax payables	23.205	28.393
Advances from customers	247.424	251.165
	649.766	650.376
TOTAL CURRENT LIABILITIES	1.049.530	1.062.622
TOTAL EQUITY AND LIABILITIES	2.414.545	2.419.259

OBRASCÓN HUARTE LAIN, S.A.

Interim condensed statement of profit or loss for the six months ended 30 June 2023 and 2022

CONTINUING OPERATIONS	30/06/2023	30/06/2022
Revenue		
Sales	229.779	256.625
Share of sales at UTEs (%)	94.639	92.772
	324.418	349.397
Change in inventories of auxiliary shops and site facilities	(14.102)	882
Cost of sales		
Cost of construction materials and machinery parts used	(80.358)	(56.102)
Subcontracted work	(148.112)	(189.099)
Other operating income:		
Non-trading and other operating income	87.847	48.009
Grants related to income recognised in profit or loss	376	493
Staff costs		
Salaries, wages and similar	(72.219)	(68.746)
Employee benefits expense	(14.330)	(12.174)
Other operating expenses:		
External services	(81.417)	(69.844)
Taxes other than income tax	(3.141)	(4.964)
Losses on, impairment of and changes in trade provisions	2.127	30.828
Other operating expenses	(135)	(237)
Amortisation and depreciation	(5.901)	(4.411)
Provision surpluses	-	4.397
Impairment and gains/(losses) on disposal of non-current assets		
Gains/(losses) on disposal and other	(372)	476
OPERATING PROFIT/(LOSS)	(5.319)	28.905
Finance income:		
From marketable securities and other financial instruments		
Group companies and associates	5.974	4.366
Third parties	6.478	1.300
Finance costs:		
On loans and borrowings from group companies and associates	(41.187)	(37.280)
On loans and borrowings from third parties	(6.600)	(6.947)
Remeasurement of financial instruments at fair value		
Fair value through profit or loss	753	(54)
Exchange differences	(6.659)	(17.834)
Impairment and gains/(losses) on disposals of financial instruments		
Impairment and losses	-	11.904
Gains/(losses) on disposals and other	306	(5.052)
FINANCIAL PROFIT/(LOSS)	(40.935)	(49.597)
PROFIT/(LOSS) BEFORE TAX	(46.254)	(20.692)
Income tax expense	273	(3.639)
PROFIT/(LOSS) FOR THE PERIOD	(45.981)	(24.331)

OBRASCÓN HUARTE LAIN, S.A.

Statement of changes in equity for the six months ended 30 June 2023 and 2022

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE SIX MONTHS ENDED 30 JUNE 2023 AND 2022

Statement of recognised income and expense	30/06/2023	30/06/2022
PROFIT/(LOSS) FOR THE PERIOD	(45.981)	(24.331)
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	-	-
AMOUNTS TRANSFERRED TO PROFIT OR LOSS	-	(84)
Grants, donations and bequests	-	(112)
Tax effect	-	28
TOTAL RECOGNISED INCOME/(EXPENSE)	(45.981)	(24.415)

OBRASCÓN HUARTE LAIN, S.A.

Statement of changes in equity for the six months ended 30 June 2023 and 2022

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2023 AND 2022

CURRENT PERIOD	Capital and reserves				Grants, donations and bequests received	Total equity
	Capital	Share premium and reserves	Own shares and equity holdings	Profit/(loss) for the period attributable to equity holders of the parent		
Closing balance at 31 December 2022	147.781	699.269	(341)	(66.079)	-	780.630
Total recognised income/(expense)	-	-	-	(45.981)	-	(45.981)
Transactions with equity holders or owners	-	(18)	19	-	-	1
Transactions with shares or own equity instruments (net)	-	(18)	19	-	-	1
Other changes in equity	-	(66.079)	-	66.079	-	-
Closing balance at 30 June 2023	147.781	633.172	(322)	(45.981)	-	734.650

PRIOR PERIOD	Capital and reserves				Grants, donations and bequests received	Total equity
	Capital	Share premium and reserves	Own shares and equity holdings	Profit/(loss) for the period attributable to equity holders of the parent		
Closing balance at 31 December 2021	147.781	659.622	(504)	23.690	154	830.743
Total recognised income/(expense)	-	-	-	(24.331)	(84)	(24.415)
Transactions with equity holders or owners	-	(206)	84	-	-	(122)
Transactions with shares or own equity instruments (net)	-	(206)	84	-	-	(122)
Other changes in equity	-	39.989	-	(23.690)	-	16.299
Closing balance at 30 June 2022	147.781	699.405	(420)	(24.331)	70	822.505

OBRASCÓN HUARTE LAIN, S.A.

Interim condensed statement of cash flows for the six months ended 30 June 2023 and 2022

	30/06/2023	30/06/2022
A) NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	7.092	(33.832)
Profit/(loss) before tax	(46.254)	(20.692)
Adjustments for:	53.330	18.843
Amortisation and depreciation	5.901	4.411
Other adjustments to profit/(loss), net	47.429	14.432
Working capital changes	4.498	4.834
Other cash flows from/(used in) operating activities	(4.482)	(36.817)
Interest paid	(24.890)	(16.872)
Interest received	9.871	8.134
Income tax recovered/(paid)	(4.892)	(9.136)
Other amounts received from/(paid for) operating activities	15.429	(18.943)
B) NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(21.634)	127.327
Payments for investments	(25.694)	(21.107)
Group companies, associates and business units	(18.575)	(7.515)
Property, plant and equipment, intangible assets and investment properties	(6.548)	(7.856)
Other financial assets	(571)	(5.736)
Proceeds from sale of investments	4.060	148.434
Group companies, associates and business units	3.943	119.376
Property, plant and equipment, intangible assets and investment properties	117	495
Other financial assets	-	28.563
C) NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	16.708	(120.162)
Proceeds from (and payments for) equity instruments	1	(122)
Acquisition	(10.987)	(11.766)
Disposal	10.988	11.644
Proceeds from (and payments for) financial liability instruments	48.698	(53.713)
Issue	48.706	5.833
Redemption and repayment	(8)	(59.546)
Dividends and interest on other equity instruments paid	-	-
Other cash flows from/(used in) financing activities	(31.991)	(66.327)
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	2.166	(26.667)
F) CASH AND CASH EQUIVALENTS AT 1 JANUARY	91.265	121.796
G) CASH AND CASH EQUIVALENTS AT 30 JUNE (E+F)	93.431	95.129

1. - Corporate information

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

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

2. - Basis of preparation

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

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

Therefore, the selected separate financial information should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2022.

3. Significant events in the reporting period

3.1 Main changes in the statement of profit or loss

The main changes in the statement of profit or loss for the six months ended 30 June 2023 compared to the same period last year were as follows:

- **Revenue** amounted to EUR 324,418 thousand, down slightly year-on-year due to project completion and the start-up phases of new contract wins.
- The Company reported an **EBIT** loss of EUR 5,319 thousand, compared to positive EBIT of EUR 28,905 thousand for the six months ended 30 June 2022. The decrease was due primarily to the completion of major projects in 2022, which had a positive impact last year.
- **Net finance expense** for the period was EUR 40,935 thousand, compared to EUR 49,597 thousand in the same period of 2022. The main items were:

- **Finance costs** of EUR 47,787 thousand, compared to EUR 44,227 thousand in the six months ended 30 June 2022.
- **Exchange differences** resulted in a loss of EUR 6,659 thousand, affected by the Mexican and Chilean pesos, compared to the loss of EUR 17,834 thousand recognised at 30 June 2022.
- **Impairments and gains/(losses) on disposal of financial instruments** amounted to EUR 306 thousand at 30 June 2023 compared to 6,852 thousand at 30 June 2022 and included mainly the EUR 12,055 thousand received for part of the debt from Grupo Villar Mir, which had been fully written off.
- **Loss before tax** was EUR 48,254 thousand, compared with a loss before tax through 30 June 2022 of EUR 20,692 thousand.
- **Loss for the six months ended 30 June 2023** amounted to EUR 45,981 thousand, compared to a loss of EUR 24,331 thousand for the same period last year.

3.2 Main changes in the statement of financial position

The main changes in the statement of financial position as at 30 June 2023 compared to the statement of financial position as at 31 December 2022 are as follows:

- **Equity** at 30 June 2022 stood at EUR 734,650 thousand, down from EUR 780,630 at 31 December 2022. The EUR 45,980 thousand decrease was due primarily to the loss for the period.
- **Non-current assets** totalled EUR 1,452,832 thousand, compared to EUR 1,509,978 thousand at 31 December 2022. The change was mostly due to in the stake in OHL Holding, S.á.r.l. by EUR 71,341 thousand following the partial reimbursement of non-monetary contributions made by the Company in sole shareholder to OHL Holding, S.á.r.l.'s equity within the framework of the Hive Down process carried out by the Group, following the Restructuring operation.
- **Current assets** stood at EUR 961,713 thousand, up from EUR 909,281 thousand at 31 December 2022, highlighted by the following items:
 - **Trade and other receivables** of EUR 437,499 thousand, compared to EUR 403,271 thousand at 31 December 2022.
 - **Investments in group companies and associates** amounted to EUR 184,495 thousand, up from EUR 17,139 thousand, due primarily to movements of funds to Group subsidiaries.
 - **Current financial assets** amounted to EUR 181,178 thousand, broadly unchanged from EUR 180,649 thousand at 31 December 2022.
 - **Cash and cash equivalents**, which ended the period with a balance of EUR 93,431 thousand.
- **Bank borrowings** totalled EUR 57,771 thousand compared to EUR 9,073 thousand at 31 December 2022, with the increase primarily reflecting the ICO-backed bridge financing agreement for EUR 40,000 thousand and other financing.

3.3 Main changes in the statement of cash flows

The main changes were:

- Increase in **cash and cash equivalents** of EUR 2,166 thousand, due to:
 - **Net cash flows from operating activities** of EUR 7,092 thousand, compared to net cash flows used in operating activities of EUR 21,388 thousand for the year ended 31 December 2022. The breakdown of this movement in six months ended 30 June 2023 is as follows:

	EUR thousand
Profit/(loss) before tax	(46,254)
Adjustments to profit/(loss)	53,330
Working capital changes	4,498
Other cash flows	(4,482)
Balance at 30 June 2022	7,092

- **Net cash flows used in investing activities** of EUR 21,634 thousand, with payments for investments of EUR 25,694 thousand and proceeds from disposals of EUR 4,060 thousand.
- **Net cash flows from financing activities** of EUR 16,708 thousand, arising mainly from loans taken out in the amount of EUR 48,706 thousand and the partial repayment, for EUR 31,991 thousand, of the loan with OHL Operaciones, S.A. arising from early redemption of the notes by that company.

4. Other disclosures

4.1 Average number of employees

The average number of employees in the six months ended 30 June 2023 and 2022 by gender is as follows:

Average number of employees	30/06/2023	30/06/2022
Men	2,575	2,375
Women	528	472
Total	3,103	2,847

INTERIM MANAGEMENT REPORT

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1. HIGHLIGHTS

As a result of the strategic decision to dispose of the Services division, the financial information presented includes this division as a discontinued operation. However, regulations require presenting restated comparative information in the statement of profit or loss, cash flows, backlog and human resources, but not the statement of financial position.

Highlights	1H23	1H22 Restated	% chg.
Revenue	1,412.4	1,263.1	11.8%
EBITDA	50.8	34.2	48.5%
% of revenue	3.6%	2.7%	
EBIT	14.0	23.1	-39.4%
% of revenue	1.0%	1.8%	
Net attributable profit/(loss)	0.6	-60.7	N/A
% of revenue			

Revenue and EBITDA	1H23	1H22 Restated	% chg.
Revenue	1,412.4	1,263.1	11.8%
Construction	1,309.2	1,207.9	8.4%
Industrial	90.4	44.5	103.1%
Other	12.8	10.7	19.6%
EBITDA	50.8	34.2	48.5%
Construction	61.4	49.8	23.3%
Construction EBITDA margin, %	4.7%	4.1%	
Industrial	3.3	0.0	N/A
Industrial EBITDA margin, %	3.7%	0.0%	
Corporate and other	-13.9	-15.6	-10.9%

Backlog	1H23	2022 Restated	% chg.
Short-term	6,037.8	5,923.3	1.9%
Long-term	1,079.2	490.1	120.2%
Total	7,117.0	6,413.4	11.0%

Number of employees	1H23	1H22 Restated	% chg.
Permanent	7,211	5,974	20.7%
Temporary	3,745	2,728	37.3%
Total	10,956	8,702	25.9%

EUR million /employees

Liquidity and debt (2022 not restated)	1H23	2022	% chg.
Total liquidity	623.2	701.7	-11.2%
Recourse liquidity	620.0	699.7	-11.4%
Net debt	-108.5	-234.1	-53.7%
Recourse net debt	-105.3	-232.1	-54.6%
Non-recourse net debt	-3.2	-2.0	60.0%

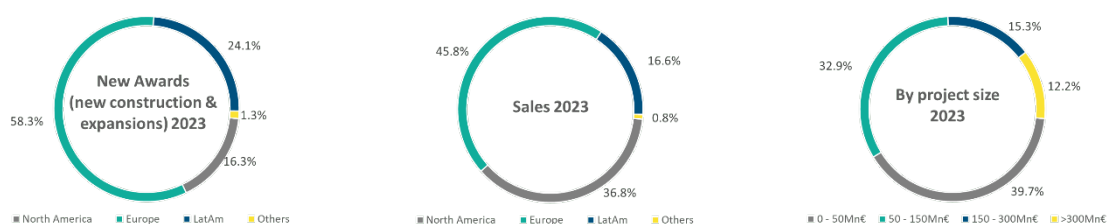
2. GROUP PERFORMANCE

OHLA reported revenue of EUR 1,412.4 million in the first six months of 2023 (+11.8% year-on-year) and EBITDA of EUR 50.8 million (+48.5% from EUR 34.2 million in 1H22).

OHLA showed further improvement in earnings at operating level, with growth in both Construction and Industrial division EBITDA margins, to 4.7% and 3.7%, respectively. These results cement the business' good performance and leave the Group on track to complete the transformation process begun a few years ago, focusing on improving EBITDA margins of projects to make the Group more profitable.

EBIT amounted to EUR 14.0 million, boosted primarily by the Group's main driver, i.e. the Construction division, with both the North American and Europe-Latam units contributing equally. OHLA Group obtained net attributable profit for the first half of 2023 of EUR 0.6 million.

Total short-term order intake in the period (new contracts and extensions) amounted to EUR 1,515.3 million, down from the year-earlier figure of EUR 2,251.4 million, and included the extraordinary award of the Purple Line Project in Maryland for over EUR 800 million. This represents a book-to-bill ratio of 1.1x and meets the internal geographical and size diversification requirements:



The total backlog at 30 June 2023 stood at EUR 7,117.0 million, up 11.0% from the figure at 31 December 2022. The short-term backlog at 30 June 2023 amounted to EUR 6,037.8 million, representing 24 months of sales. This portfolio meets the internal size diversification standards: 73.7% of projects are smaller than EUR 150 million and only one (i.e. 12.2%) is over EUR 300 million.

Meanwhile, the Group's total recourse liquidity position at the end of June 2023 stood at EUR 620.0 million, an improvement of EUR 38.8 million from end-March. This amount includes bank financing of EUR 40.0 million arranged in May. Even with this finance and the industry's typical seasonality, cash consumed from operations in the period totalled EUR 70.1 million, implying that no cash was consumed from operations in the second quarter of 2023 and EUR 49.2 million less than in the first half last year.

3. PERFORMANCE BY DIVISION

CONSTRUCTION

Highlights	1H23	1H22	% chg.
Revenue	1,309.2	1,207.9	8.4%
EBITDA	61.4	49.8	23.3%
% of revenue	4.7%	4.1%	
EBIT	29.9	43.5	-31.3%
% of revenue	2.3%	3.6%	

EUR m

Revenue totalled EUR 1,309.2 million (+8.4%). Construction revenue accounted for 92.7% of the Group total, with 81.2% from projects carried out abroad.

EBITDA for the period reached EUR 61.4 million, with an improvement in the EBITDA margin to 4.7% of revenue. The margin shores up the stabilisation of the Construction division's EBITDA margin above 4.0%, where it has remained since September 2021. OHLA continues to monitor the backlog closely as part of its efforts to constantly improve its operating margin.

The construction backlog at 30 June 2023 stood at EUR 5,773.7 million, in line with the figure at 31 December 2022, representing 24.7 months of sales. Order intake (new contract wins and extensions) in the first six months of the year totalled EUR 1,266.8 million.

The main project wins in the period included:

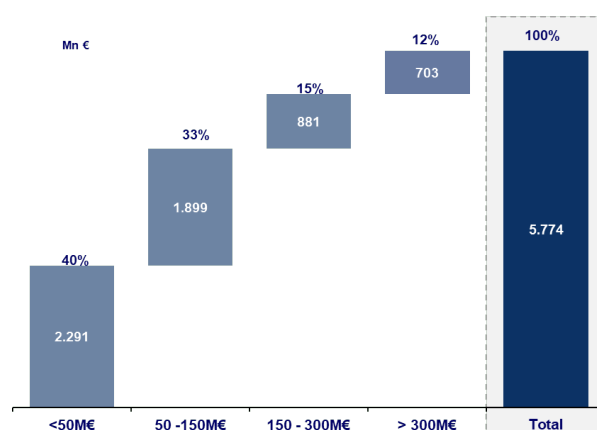
	Country	1H23
Spanish National Cancer Institute PPP	Chile	194.7
Palencia-Aguilar de Campoo High-Speed Line	Spain	90.3
New passenger terminal at Irún station	Spain	54.0
Illinois. IDOT - 3/10/2023 -Item 120 (60Y72)	US	52.7
Viaducts 2 and 3 - extension of the Lechería - Aifa suburban rail line	Mexico	50.3
Upgrade of the "Brno-sever"	Czech Republic	49.6
Total main contract wins		491.6
Other		775.2
Total contract wins		1,266.8

EUR m

The geographical breakdown of the Construction backlog is as follows:

	30/06/2023
Main regions	99.3%
US	43.5%
Europe	31.6%
Latin America	24.2%
Other	0.7%

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



By project type, 26.0% of the construction backlog related to roads, 33.3% to railways, 22.7% to building, 17.1% to energy and mining, and the remaining 0.9% to ports and airports.

The main contracts in the construction backlog at 30 June 2023 were as follows:

	Country	1H23
Maryland Purple Line	US	703.3
I-5 North County Enhancements	US	250.7
Bio Bio hospital network concession	Chile	239.1
Spanish National Cancer Institute PPP	Chile	197.9
Repairs-5 Stations Flushing Ln	US	193.1
Phase II northern accesses	Colombia	145.1
Destination Sport Miami	US	137.3
South corridor rapid tram main	US	130.7
Rehab West 79 St. Brdg-Rotunda	US	117.4
Largest projects in the backlog		2,114.6

EUR m

INDUSTRIAL

Highlights	1H23	1H22	% chg.
Revenue	90.4	44.5	103.1%
EBITDA	3.3	0.0	N/A
% of revenue	3.7%	0.0%	
EBIT	3.7	-0.5	N/A
% of revenue	4.1%	-1.1%	

EUR m

The Industrial division recorded **revenue of EUR 90.4 million, double the year-earlier figure**. This improvement was driven primarily by new renewable energy projects signed, which are currently being executed.

Industrial **EBITDA** amounted to **EUR 3.3 million**, leaving an **EBITDA margin of 3.7%**.

The **backlog** ended the period at **EUR 264.1 million** (representing 18.0 months of sales), with order intake (new contract wins and extensions) of EUR 235.7 million, surpassing orders in recent periods and more than double the backlog at 31 December 2022. New contract wins included:

- Renopool solar PV plant (130 Mw)
- Carmonita II and III solar PV plants (105 Mw)
- Alcores solar PV plant (87 Mw)
- Fuendetodos solar PV plant (124 Mw)

These key contract wins in the period leave room for sustained growth by the division and a **gradual improvement in margins during the year**

4. CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Because of the strategic decision to dispose of the Services division, the financial information presented includes this division as a discontinued operation in the statement of profit or loss for the period. The information in the statement of profit or loss and statement of cash flows of the previous period was restated. For easier comparisons between the two periods, the statement of profit or loss excluding the Services division is presented below:

	1H23	1H22 Restated	% chg.
Revenue	1,412.4	1,263.1	11.8%
Other operating income	71.3	54.1	31.8%
Total operating income	1,483.7	1,317.2	12.6%
% of revenue	105.0%	104.3%	
Operating expenses	-1,118.9	-1,005.9	11.2%
Staff costs	-314.0	-277.1	13.3%
EBITDA	50.8	34.2	48.5%
% of revenue	3.6%	2.7%	
Amortisation and depreciation	-38.9	-37.6	3.5%
Provisions	2.1	26.5	-92.1%
EBIT	14.0	23.1	-39.4%
% of revenue	1.0%	1.8%	
Finance income and costs	-21.5	-30.8	-30.2%
Remeasurement of financial instruments at fair value	0.7	0.0	N/A
Exchange differences	10.3	-13.6	n.m.
Impairment and gains/(losses) on disposal of financial instruments	4.0	-23.2	n.m.
Financial profit/(loss)	-6.5	-67.6	
Share of profit/(loss) of companies accounted for using the equity method	3.5	-6.1	N/A
Profit/(loss) before tax	11.0	-50.6	N/A
% of revenue	0.8%	-4.0%	
Income tax expense/(income)	-10.8	-12.4	-12.9%
Profit/(loss) for the period from continuing operations	0.2	-63.0	N/A
% of revenue	0.0%	-5.0%	
Profit/(loss) after tax for the period from discontinued operations	0.1	2.9	-96.6%
Consolidated profit/(loss) for the period	0.3	-60.1	n.m.
% of revenue	0.0%	-4.8%	
Non-controlling interests of discontinued operations	-0.1	0.0	n.m.
Non-controlling interests of discontinued operations	0.4	-0.6	n.m.
Profit/(loss) attributable to the parent	0.6	-60.7	n.m.
% of revenue	0.0%	-4.8%	

EUR m

The Group's **revenue** in the first half of 2023 rose by 11.8% year-on-year to EUR 1,412.4 million, driven by the increase in Construction division output. **Of total revenue, 76.1% was obtained abroad.** The distribution of revenue by geographical area shows that Europe accounted for 45.8% (23.9% in Spain), North America 36.8%, Latin America 16.6% and other countries 0.8%.

Total **operating income** amounted to EUR 1,483.7 million, up 12.6% year-on-year.

EBITDA rose by 48.5% to EUR 50.8 million from EUR 34.2 million through June 2022, leaving an EBITDA margin of 3.6%.

EBIT totalled EUR 14.0 million, with an EBIT margin of 1.0%, compared to EUR 23.1 million in 1H22.

Net finance expense for the period was EUR 6.5 million, compared to EUR 67.6 million in the first six months of 2022. The breakdown is as follow:

- **Finance income and finance costs** amounted to a negative EUR 21.5 million, compared to a negative EUR 30.8 million the year before.
- The **change in the fair value of financial instruments** amounted to EUR 0.7 million.
- **Exchange differences** amounted to a gain this year of EUR 10.3 million, compared to a loss last year of EUR 13.6 million. The improvement was due primarily to the trend in the euro's exchange rate against certain Latin American currencies (the Chilean, Colombian and Mexican peso) and the Norwegian krone.
- **Impairment and gains/(losses) on disposal of financial instruments** was positive, at EUR 4.0 million.

The share of profit/(loss) of companies accounted for using the equity method amounted to EUR 3.5 million, compared to a negative EUR 6.1 million in the same period the year before.

Profit before tax was EUR 11.0 million, compared to a loss before tax in the first half of 2022 of EUR 50.6 million.

Profit/(loss) after tax for the period from discontinued operations included, as described in the Group's performance, the figures for the Services division through June 2023. Comparisons with the previous period are provided since the statement of profit or loss for the six months ended 30 June 2022 were restated.

Profit/(loss) attributable to the parent amounted to a profit of EUR 0.6 million, compared to a loss of EUR 60.7 million through June 2022.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Because of the strategic decision to dispose of the Services division, all the assets and liabilities in the division's statement of financial position were reclassified to a single line item "Assets and liabilities held for sale". In accordance with prevailing regulations, the statement of financial position was not restated.

	30/06/2023	31/12/2022	% chg.
Non-current assets	826.1	830.0	-0.5%
Intangible assets	161.5	176.5	-8.5%
Concession infrastructure	23.1	10.7	115.9%
Property, plant and equipment	254.5	262.0	-2.9%
Investment properties	4.2	4.2	0.0%
Investments accounted for using the equity method	150.8	150.0	0.5%
Non-current financial assets	129.2	136.4	-5.3%
Deferred tax assets	102.8	90.2	14.0%
Current assets	2,400.3	2,364.3	1.5%
Non-current assets held for sale	162.2	28.8	463.2%
Inventories	97.3	107.1	-9.2%
Trade and other receivables	1,439.5	1,463.5	-1.6%
Other current financial assets	222.1	232.4	-4.4%
Other current assets	78.1	63.2	23.6%
Cash and cash equivalents	401.1	469.3	-14.5%
Total assets	3,226.4	3,194.3	1.0%
Equity	553.5	557.3	-0.7%
Capital and reserves	562.8	559.2	0.6%
Share capital	147.8	147.8	0.0%
Share premium	1,328.1	1,328.1	0.0%
Reserves	-913.7	-819.9	11.4%
Profit/(loss) for the period attributable to equity holders of the parent	0.6	-96.8	-100.6%
Valuation adjustments	-7.5	-0.8	N/A
Equity attributable to equity holders of the parent	555.3	558.4	-0.6%
Non-controlling interests	-1.8	-1.1	63.6%
Non-current liabilities	682.1	648.3	5.2%
Deferred income	0.0	0.0	n.m.
Non-current provisions	72.7	70.8	2.7%
Non-current financial debt*	451.3	432.1	4.4%
Other non-current financial liabilities	42.3	45.5	-7.0%
Deferred tax liabilities	88.7	67.1	32.2%
Other non-current liabilities	27.1	32.8	-17.4%
Current liabilities	1,990.8	1,988.7	0.1%
Liabilities associated with non-current assets held for sale	66.0	0.0	n.m.
Current provisions	166.1	178.9	-7.2%
Current financial debt*	63.4	35.5	78.6%
Other current financial liabilities	19.0	19.2	-1.0%
Trade and other payables	1,471.9	1,535.6	-4.1%
Other current liabilities	204.4	219.5	-6.9%
Total equity and liabilities	3,226.4	3,194.3	1.0%

* includes bank borrowings + Notes

EUR m

The main consolidated statement of financial position line items as at 30 June 2023 and comparisons with 31 December 2022 are as follows:

Intangible assets: balance of EUR 161.5 million, down a net EUR 15.0 million from the year before, due mostly to the amortisation of the customer portfolio allocated to the North American subsidiaries and Pacadar Group.

Investments accounted for using the equity method: balance of EUR 150.8 million, broadly unchanged from 31 December 2022. The most significant investment included under this item is the Canalejas Project, a 50.0%-owned subsidiary of **OHLA** Group valued at EUR 127.6 million. In addition to this amount, the Group has a EUR 55.7 million subordinated loan in favour of **OHLA** (recognised under “Non-current financial assets”), leaving the total investment at EUR 183.3 million.

Non-current financial assets: the balance stood at EUR 129.2 million and included this loan to the Canalejas Project and the remaining value of the investment in the company in liquidation, Cercanías Móstoles Navalcarnero, of EUR 50.3 million.

Non-current assets held for sale: due to the discontinuation of the operations of the Services division, this item includes assets amounting to EUR 135.0 million, with no balance at 31 December 2022 since **there were no restatements in accordance with applicable regulations**. The remaining EUR 27.2 million relates to the concession operator of CHUM.

Trade and other receivables: the balance totalled EUR 1,439.5 million, representing 44.6% of total assets.

Progress billings receivable amounted to EUR 476.8 million (1.9 months of sales), compared with EUR 593.3 million (2.2 months of sales) at 31 December 2022. This is an improvement on the EUR 537.1 million (2.2 months of sales) reported at 30 June 2022.

Amounts to be billed for construction work performed totalled EUR 625.2 million (2.5 months of sales), compared with EUR 570.9 million at 31 December 2022 (2.1 months of sales). This is in line with the EUR 573.0 million (2.4 months of sales) reported at 30 June 2022.

Trade receivables decreased by EUR 27.9 million (31 December 2022: EUR 59.3 million) due to the trade receivables factored without recourse.

Other current financial assets amounted to EUR 222.1 million (31 December 2022: EUR 232.4 million), of which EUR 175.4 million are restricted assets, mainly the restricted deposit of EUR 140.0 million securing the Multiproduct Syndicated Facilities Agreement, and EUR 35.4 million of other guarantees.

Also included are EUR 36.3 million as performance bonds for certain projects being carried out in the US.

Cash and cash equivalents: balance of EUR 401.1 million, of which EUR 219.6 million related to the temporary business associations or joint ventures (UTES) in which the Group has interests.

Equity attributable to equity holders of the parent: EUR 555.3 million at 30 June 2023, representing 17.2% of total assets and down EUR 3.1 million from 31 December 2022, due primarily to the net impact of:

- Net attributable profit for 1H23 of EUR 0.6 million.
- Valuation adjustments of EUR -6.7 million for translation differences.
- Other changes of EUR 3.0 million.

Liabilities associated with non-current assets held for sale: balance of EUR 66.0 million, due primarily to the discontinuation of the operations of the Services division, as explained previously.

Financial debt: comparison between debt as at 30 June 2023 and 31 December 2022 is as follows:

Gross debt ⁽¹⁾	30/06/2023	%	31/12/2022	%	% chg.	Chg.
Recourse debt	514.7	100.0%	467.6	100.0%	10.1%	47.1
Non-recourse debt	0.0	0.0%	0.0	0.0%	0.0%	0.0
Total	514.7		467.6		10.1%	47.1

EUR m

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

Net debt ⁽²⁾	30/06/2023	%	31/12/2022	%	% chg.	Chg.
Recourse debt	-105.3	97.1%	-232.1	99.1%	-54.6%	126.8
Non-recourse debt	-3.2	2.9%	-2.0	0.9%	60.0%	-1.2
Total	-108.5		-234.1		-53.7%	125.6

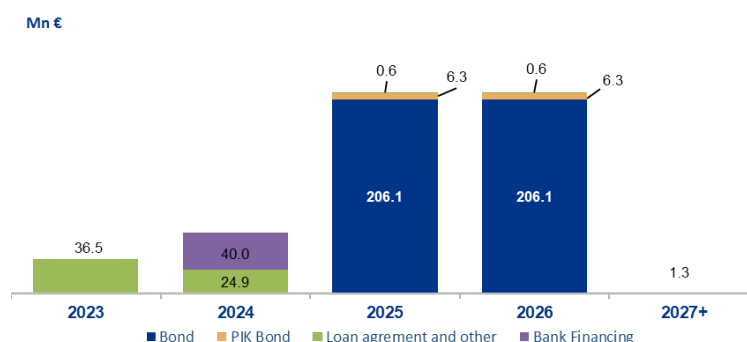
EUR m

(2) Net debt comprises gross debt less other financial assets and cash and cash equivalents.

Gross recourse debt increased by EUR 47.1 million, thanks primarily to:

- Partial redemption of the Notes for a nominal amount of EUR 32.0 million using proceeds from the deferred payments on the sale of Old War Office.
- Increase in debt from the bank finance for EUR 40.0 million arranged and drawn down in May 2023.

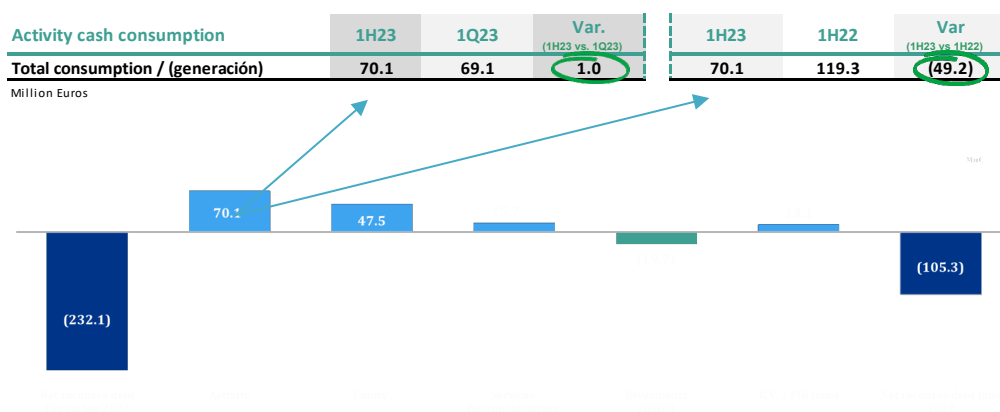
The maturity schedule of **OHLA**'s notes and remaining gross recourse debt, by nominal amount, is as follows:



The change in net recourse debt was EUR 126.8 million. The increase was the result of:

- Management, control and monitoring of working capital, which continue to be a priority for the Group. Cash burn (i.e. cash consumed from operations) in the period was EUR 70.1 million, the same as in the first quarter of 2023; i.e. **no cash was consumed from operations in the second quarter of 2023.**

Comparing the amount of cash consumed from operations with the same period of 2022 shows a decrease of EUR 49.2 million.



- ii. Investments made in the Concessions (primarily) and Development divisions, of EUR 47.5 million. The bulk of these investments were made in the first quarter of 2023.
- iii. The accounting impact of the removal of the Services division, which at 31 December 2022 amounted to EUR 15.7 million and now is not included in the calculation.

CONSOLIDATED STATEMENT OF CASH FLOW

Because of the strategic decision to dispose of the Services division, the financial information presented includes this division as a discontinued operation in the statement of profit or loss for the period. The information in the statement of profit or loss and statement of cash flows of the previous period was restated. For easier comparisons between the two periods, the statement of cash flows excluding the Services division is presented.

While the criteria used differ in certain cases from the requirements of IAS 7, the statement of cash flow is presented to better understand business performance:

	1H23	1H22 Restated
EBITDA	50.8	34.2
Adjustments to profit/(loss)	-10.0	-36.5
Net finance income/(expense)	-6.5	-68.9
Share of profit/(loss) of companies accounted for using the equity method	3.5	-6.1
Income tax expense/(income)	-10.8	-12.4
Changes in provisions and others	3.8	50.9
Operating profit/(loss)	40.8	-2.3
Working capital changes	-89.4	-128.7
Trade and other receivables	24.0	-229.2
Trade and other payables	-63.7	150.2
Other working capital changes	-49.7	-49.7
Net cash flows used in operating activities	-48.6	-131.0
Net cash flows from/(used in) Investing activities	-48.2	11.2
Non-controlling interests	-0.7	0.1
Other cash flows from investing activities	-38.5	6.6
Non-current assets held for sale and discontinued operations	-9.0	4.5
Change in net non-recourse debt	-1.2	-2.2
Change in net recourse debt	111.1	137.2
Note refinancing transaction	-13.1	-15.2
Net capital increase	0.0	0.0
Net cash flows from financing activities	96.8	119.8

EUR m

EBITDA amounted to EUR 50.8 million, marking an improvement from the year before. **Adjustments to profit or loss** totalled a negative EUR 10.0 million, bringing **net cash flows from operating activities** to EUR 40.8 million compared to EUR -2.3 million in 2022.

Working capital changes amounted to a negative EUR 89.4 million, compared to a negative EUR 128.7 million last year. Efforts to manage working capital are illustrated in like-for-like performance; i.e. restated figures in the statement of cash flows for last year.

Net cash flows used in operating activities amounted to EUR 48.6 million.

Net cash flows used in investing activities amounted to EUR 48.2 million.

Net cash flows from financing activities amounted to EUR 96.8 million, with a reduction of EUR 1.2 million in the Group's net non-recourse debt and an increase of EUR 111.1 million in net recourse debt. The rest of the difference; i.e., EUR -13.1 million, related to changes in the fair value of the note issues in the 2021 refinancing.

5. BACKLOG

Because of **OHLA** Group's strategic decision to dispose of the Services division, it is presented as a discontinued operation. Therefore, data for the backlog at 31 December 2022 were restated.

OHLA's backlog at 30 June 2023 stood at EUR 7,117.0 million, 11.0% higher than at 31 December 2022.

The **Group's short-term backlog stood at EUR 6,037.8 million**, practically the same as at 31 December 2022 and representing 24.0 months of sales.

Order intake in the period (new contracts and extensions) **amounted to EUR 1,515.3 million** (book-to-bill of 1.1x), which is less than in the same period in 2022 due to the major contract awarded last year (Purple Line in Maryland worth EUR 800 million).

The long-term backlog stood at EUR 1,079.2 million, 120.2% higher than the amount at 31 December 2022 due to the Group's strategy of reinforcing its concession operations.

	30/06/2023	%	31/12/2022 Restated	%	% chg.
Short-term	6,037.8		5,923.3		1.9%
Construction	5,773.7	95.6%	5,807.3	98.0%	-0.6%
Industrial	264.1	4.4%	116.0	2.0%	127.7%
Long-term	1,079.2		490.1		120.2%
Concessions	1,079.2	100%	490.1	100.0%	120.2%
Total	7,117.0		6,413.4		11.0%

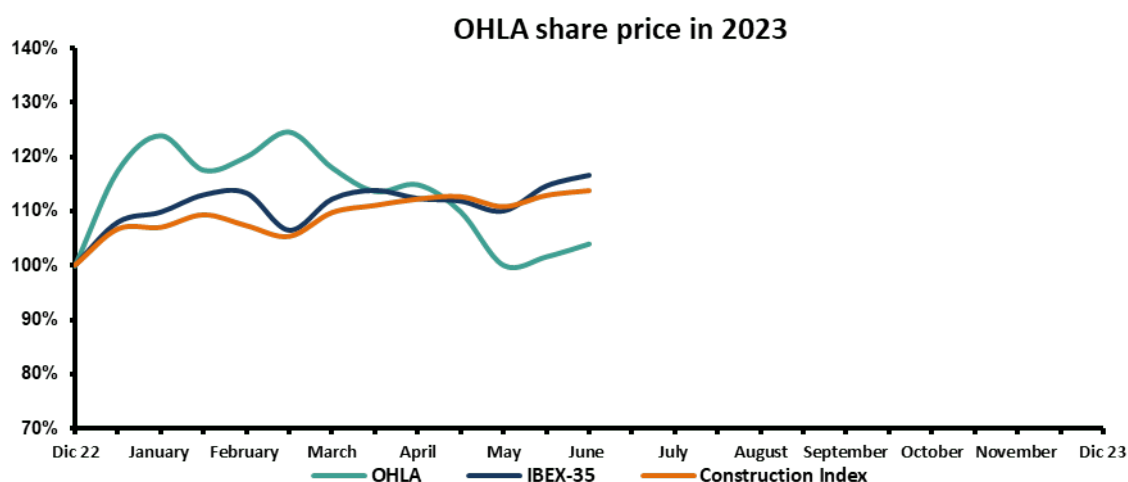
EUR m

6. STOCK MARKET DATA

OHLA's share capital at 30 June 2023 amounted to EUR 147,781,145.75, represented by 591,124,583 shares of EUR 0.25 par value each, all of the same class and series. The share price ended June at EUR 0.47 after gaining 4.1% YTD.

OHLA held 700,695 treasury shares at 30 June 2023, equivalent to 0.47% of share capital.

	30/06/2023
Closing price	0.47
OHLA share price YTD performance	4.1%
Number of shares	591,124,583
Market capitalisation (EUR Mn)	275.8
Ibex 35 YTD performance	16.6%
Construction Index YTD performance	13.8%



OHLA Group has a note issue with final maturity on 31 March 2026 and partial maturity (50%) on 31 March 2025. Key data on this notes issue:

Issuer	Maturity	Coupon	Outstanding balance	Price	YtM
OHLA OPERACIONES	March 2026	6.600%	412.2*	87.679%	15.067%

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

(*) Nominal amount

7. DEVELOPMENT

OHLA Group did not undertake any investments in development projects or incur any significant development expenditure in the first six months of 2023.

8. RISK MANAGEMENT

Risk management is a strategic priority at OHLA Group.

Using advanced analysis and control systems, it aims to minimise its risk exposure, ensure the attainment of each project's profitability targets and make sure that new contracts comply with the risk control parameters established by the management bodies.

The main risks and uncertainties to which OHLA Group is exposed are described in Note 2.7 of the interim condensed consolidated financial statements for the six months ended 30 June 2023.

9. APPENDICES

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

- 18 January 2023: The Company discloses that, as agreed with its financial creditors in the framework of the process of recapitalisation and renegotiation of its debt, it will reduce its financial debt.

- 17 February 2023: EUR 487,266,804 Split Coupon Senior Secured Notes: Final results of the cash tender offer.
- 21 February 2023: OHLA sends announcement of the publication date of its 2022 results.
- 28 February 2023: The Company releases its 2022 results report and presentation.
- 9 March 2023: The Company requests consent of noteholders to approve certain modifications to the terms and conditions of the intercreditor agreement and the terms and conditions of the Notes.
- 23 March 2023: The Company announces that on the date hereof the Company's subsidiary OHL Operaciones, S.A.U. (the "Issuer") has decided to amend the terms of the consent solicitation memorandum published by the Issuer on 9 March 2023.
- 12 April 2023: The Company announces that on the date hereof the Company's subsidiary OHL Operaciones, S.A.U. (the "Issuer") has obtained the consent of its noteholders.
- 28 April 2023: The Company releases its 2022 Annual Financial Report, Annual Corporate Governance Report and Annual Report on Director Remuneration.
- 22 May 2023: OHLA sends announcement of the publication date of its 1Q 2023 results.
- 22 May 2023: OHLA submits the 1Q 2023 financial results report
- 30 June 2022: Ordinary Shareholders' Meeting and announcement of the resolutions adopted.

9.2 KEY INSIDE INFORMATION / OTHER RELEVANT, REGULATED AND CORPORATE INFORMATION AFTER THE REPORTING PERIOD

- 19 July 2023: OHLA sends announcement of the publication date of its 1H23 results

9.3 PROJECT SUBSIDIARIES

Company	% stake	Total assets	% of Group total	EBITDA	% of Group total	Gross debt	(-) Cash	(-) Cash equivalents	Net debt
OHLA Concesiones, S.L.	100.00%	23.4	0.7%	(0.5)	(1.0%)	-	(0.1)	-	(0.1)
Marina Urola, S.A.	51.00%	1.4	-	-	-	-	(0.6)	-	(0.6)
Sociedad Concesionaria Hospitales Red Bío Bío, S.A.	100.00%	44.2	1.4%	(0.2)	(0.4%)	-	(0.7)	(1.3)	(1.9)
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	100.00%	25.4	0.8%	0.5	1.0%	-	-	-	-
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	100.00%	8.1	0.3%	-	(0.1%)	-	(0.1)	(0.4)	(0.5)

EUR m

EUR m		
Company	% stake	Carrying amount of investment(**)
Concesionaria Ruta Bogotá Norte, SAS	25.00%	(0.6)
Parking Niño Jesús-Retiro, S.A.	30.00%	1.1
Nova Dársena Esportiva de Bara, S.A.	50.00%	7.0
Nuevo Hospital de Burgos, S.A.	20.75%	-
Health Montreal Collective Limited Partnership(***)	25.00%	27.2
Torc Sustainable Housing Holdings Limited	5.00%	-
Torc Sustainable Housing Limited	5.00%	-
Cercanías Móstoles Navalcarnero, S.A.	100.00%(*)	50.7
Aeropistas, S.L.	100.00%(*)	-
Autopista Eje Aeropuerto Concesionaria Española, S.A.	100.00%(*)	-

Companies that have filed for insolvency proceedings (*)
Includes profit participating and other long-term loans (**)
Classified as held for sale (***)

9.4 ALTERNATIVE PERFORMANCE MEASURES

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

As a result of the discontinuation of the Services activity, the above information was restated (RX) for purposes of comparison.

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

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

Item	EUR m	
	June 23	June 22
		Restated
Revenue	1,412.4	1,263.1
Other operating income	71.3	54.1
Operating expenses	-1,118.9	-1,005.9
Staff costs	-314.0	-277.1
Amortisation and depreciation	-38.9	-37.6
Change in provisions	2.1	26.5
TOTAL EBIT	14.0	23.1

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

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

Item	EUR m	
	June 23	June 22
		Restated
EBIT	14.0	23.1
(-) Amortisation and depreciation	38.9	37.6
(-) Change in provisions	-2.1	-26.5
TOTAL EBITDA	50.8	34.2

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

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

Item	EUR m	
	June 23	June 22
		restated
TOTAL EBITDA	50.8	34.2
(+) Interest income	13.0	5.3
(-) EBITDA of project companies	0.2	-0.5
(-) Finance income of project companies	-0.1	-
(+) Dividends from project companies	0.9	0.6
(-) Non-recurring expenses	-	-
TOTAL RECOURSE EBITDA	64.8	39.6

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

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

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

Item	EUR m	
	As at 30 June 2023	As at 31 December 2022
Issue of notes and other marketable securities (non-current)	408.9	428.4
Bank borrowings (non-current)	42.4	3.7
Issue of notes and other marketable securities (current)	8.1	8.7
Bank borrowings (current)	55.3	26.8
TOTAL GROSS DEBT	514.7	467.6

Net debt: gross debt less other current assets and cash and cash equivalents on the assets side of the consolidated statement of financial position.

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

Item	EUR m	
	As at 30 June 2023	As at 31 December 2022
GROSS DEBT	514.7	467.6
(-) Current financial assets	-222.1	-232.4
(-) Cash and cash equivalents	-401.1	-469.3
TOTAL NET DEBT	-108.5	-234.1

Non-recourse debt (gross or net): debt (gross or net) of subsidiaries designated as project subsidiaries by the Group in accordance with the Terms and Conditions of the 2021 Notes issue. With this debt, the guarantee received by the lender is restricted to the project's cash flow and the value of its assets, with no recourse to shareholders.

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

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

This is a measure of the net leverage of activities with recourse to shareholders.

Recourse liquidity: other current financial assets, cash and cash equivalents in the consolidated statement of financial position less the same items of project subsidiaries in accordance with the Terms and Conditions of the 2021 Notes issue.

In absolute terms, this measure is used to assess trends in available liquidity to carry out activities with recourse to shareholders.

Item	EUR m	
	As at 30 June 2023	As at 31 December 2022
Current financial assets	222.1	232.4
Cash and cash equivalents	401.1	469.3
(-) Non-recourse current financial assets	-1.7	-1.0
(-) Non-recourse cash and cash equivalents	-1.5	-1.0
TOTAL RECOURSE LIQUIDITY	620.0	699.7

Backlog: short-and long-term unearned revenue from contracts awarded. Once they have been formalised, these contracts are included in the backlog and represent the estimated amount of the Group's future revenue. The backlog is measured at the percentage attributable to the Group according to the consolidation/accounting method used. Once a contract is included in the backlog, the value of production pending execution on this contract remains in the backlog until it has been completed or cancelled.

Short-term backlog: represents the estimate amount of unearned Construction and Industrial revenue and any value adjustments to reflect changes in prices, additional deadlines, etc. that may be agreed with customers.

It is measured in both absolute value and months of sales.

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

Book-to-bill ratio: order intake (new contracts and extensions)/revenue at a specific date. It represents the relationship between the two key metrics determining changes in the backlog; i.e. increase in order intake and decrease in performance of construction, projects or services.

This measure is used to assess any potential growth in future sales.

Item	EUR m	
	Six months ended 30 June 2023	Six months ended 30 June 2022 restated
Order intake (new contract wins + extensions)	1,515.3	2,251.4
Revenue	1,412.4	1,263.1
BOOK-TO-BILL RATIO	1.1	1.8

Months of sales: the relationship between the activity's metric and revenue of the last 12 months; i.e. a consistent measure over time (months of activity) of how long it would take for the various operating metrics to materialise.

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

Item	As at 30 June 2023	As at 31 December 2022
Number of shares at end of period	591,124,583	591,124,583
Share price at end of period	0.467	0.448
MARKET CAP (EUR m)	276.1	265.1

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

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

Item	As at 30 June 2023	As at 31 December 2022
Share price at end of period	0.467	0.448
Earnings per share	0.00	-0.16
P/E ratio	N/A	-2.73

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

STATEMENT OF RESPONSIBILITY FOR THE CONTENT OF THE INTERIM FINANCIAL REPORT OF OHLA GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2023

In compliance with art. 11 b) of Royal Decree 1362/2007, of 19 October, implementing Law 24/1988, of 28 July, on the Securities Market, the undersigned members of the Board of Directors of Obrascón Huarte Lain, S.A. and subsidiaries state that, to the best of their knowledge, the interim condensed consolidated financial statements for the six months ended 30 June 2023, prepared in accordance with applicable accounting principles, provide a true and fair view of the equity, financial position and results of Obrascón Huarte Lain S.A. and subsidiaries and that the interim consolidated management report provides an accurate analysis of the information required.

The interim condensed consolidated financial statements for the six months ended 30 June 2023 and the interim consolidated management, set out in the preceding pages, were approved by the Board of Directors at their meeting held on 27 July 2023. The signatures of all members and the Secretary of the Board of Directors are on this last page.

Luis Fernando Martín Amodio
Herrera

Julio Mauricio Martín
Amodio Herrera

Carmen de Andrés Conde

César Cañedo-Arguelles
Torrejón

Francisco Garcia Martín

Juan Antonio Santamera
Sánchez

Luis Fernando Amodio
Giombini

Reyes Calderón Cuadrado

Ximena Caraza Campos

José María del Cuvillo Pemán

(Secretary of the Board of
Directors, non-director)