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Centro Canalejas Madrid. Spain.

# Business plan and goals for 2023

In 2022, OHLA achieved strong operating results beyond the original guidance on headline figures.

Revenue rose 17.3% year-on-year to approach EUR 3.26 billion, exceeding our EUR 3 billion target. We achieved the largest order intake of the past eight years, winning contracts worth almost EUR 4.3 billion. This figure amply exceeds our forecast EUR 3.5 billion short-term order intake in the year. OHLA's total backlog at year-end 2022 stood at more than EUR 7,000 million, our best figure since 2015. EBITDA for 2022 was more than EUR 114 million, as against our EUR 110 million target, reflecting robust activity at the operating level.

Our Concessions division went from strength to strength, with two new major assets coming under management in 2022: the North 2 access corridor in Colombia, and, in Spain, the expansion works of the Niño Jesús children's hospital. After year-end 2022, in February 2023 the company was awarded the concession for the Instituto Nacional del Cáncer, in Chile.

As to its financial position, OHLA continued to deliver on its pledge to deleverage, achieving a ratio of 3.8x

EBITDA on 20 February 2023: having received the proceeds of late payments for the Old War Office project in London, we completed a partial buyback of notes in the amount of EUR 33.5 million.

These figures were achieved even against the background of inflationary pressures, tighter monetary policy, the war in Ukraine, a stressed energy market and a global slowdown in economic activity.

The company's outlook for 2023 includes:

Revenue of around  
EUR 3,450 million



EBITDA in excess of  
EUR 125 million



Order intake above  
3,600 million



The estimates do not consider the disposal of the Services division announced in February 2023.



National Cancer Institute. Santiago de Chile, Chile.

## Roadmap: new drive to reduce debt

OHLA's short-and medium-term strategic roadmap focuses on a new drive to reduce the company's debt. We need to keep abreast of the likely consequences

of tighter monetary policy across the global financial stage, which is trending toward 'normalisation'.

To deleverage our balance sheet, we shall proactively consider selling off non-strategic and non-core assets and companies outside the Construction and Concessions divisions. Our biggest decision so far has been to sell our Services division. We shall discontinue this business in 2023, and so it will no longer contribute to headline figures such as revenue, EBITDA, order intake and backlog.

In the short- and medium-term, therefore, we shall focus on reducing gross borrowings to less than 2.5x EBITDA. This will bring the following benefits:

- Improve our credit rating.
- Achieve financial and operational stability.
- Release some of the cash pledged as collateral.
- Increase working capital finance facilities.

This will enable us to:

- Improve margins,
- Profit and
- Generate recurring operating cash flow.

By taking these steps, OHLA will be on track to achieve sustained growth while creating value for our shareholders and investors and the rest of stakeholders across the wider community.

## Opportunities in the United States, Latin America and Europe

We are witnessing times of turbulence, change and severe uncertainty. However, in the geographies within OHLA's footprint we see highly attractive opportunities for the infrastructure industry. This will be a key factor in shaping a new and more resilient model of growth.

Policymakers now clearly recognise that technological progress and the fight against climate change call for investment in renovating the infrastructure that underpins our lives. This shift in approach is visible in Spain, yet the United States and Latin America are not falling behind.

Spain's accession to the European Union in the mid-1980s triggered a vast investment effort in all forms of transport infrastructure. The goal was to connect our networks to the rest of Europe, in aid of economic convergence. After 2010, however, in the aftermath of the financial crisis, investment and maintenance declined sharply. As result, infrastructure in Spain and elsewhere is showing signs of age.

It is now time to address this shortfall and modernise our infrastructure by means of more sustainable and efficient means of transport. In this endeavour, we should seek the support of public-private initiatives and leverage digitalisation and new technologies, as encouraged by the roadmap of the EU Next Generation fund.

In the framework of the United Nations 2030 Agenda and its goals, we are moving towards cleaner means of transport and safe, carbon-neutral and richly connected forms of mobility that will shape the cities of the future.

It is up to core industries like ours to drive growth and raise living standards across society as a whole. We must bear in mind that investment in infrastructure is decisive for the costs sustained by businesses, for productivity across the economy, for territorial connectivity and accessibility and, above all, the well-being of the wider community.

# Result by business division

## Construction

### Geographical markets

#### North America

This is a key market for OHLA. In 2022, revenue in this geography accounted for 42.6% of total Construction revenue and more than 35.4% of total revenue for the company.

OHLA opened for business in the US market in 2006. Through its subsidiaries OHLA USA, Judlau Contracting, Community Asphalt, OHLA Building and OHLA Systems & Electric, the company now operates in New York, California, Maryland, Massachusetts, Illinois and Florida. In 2022, the company won new contract awards in the United States worth EUR 1,520.3 million. Order intake featured the award of the “P3 Purple Line Light Rail” construction contract in Maryland to a consortium we form part of, for a combined amount of EUR 2,210.0 million (USD 2,300 million).

#### Main contracts

In **Maryland**, OHLA USA, as a joint venturer, was awarded the Purple Line project, the largest project obtained to date in the country. The contract concerns design and construction of the light rail system, with 26.1 kilometres of track and 21 stations.

This new project, scheduled for completion in autumn 2026, will carry commuters between Bethesda, in Montgomery County, to New Carrollton, in Prince George’s County. The Purple Line will also provide direct connections to four branches of the Washington Metropolitan Area Transit Authority system, and three MARC (Maryland Area Regional Commute) rail lines between the Baltimore-Washington metropolitan area and Amtrak’s Northeast Corridor line.

While it will transform the Washington D.C. region’s network by adding light rail to an interconnected transit system, the project will also bring major environmental benefits, as it is expected to reduce commuter road traffic by 17,000 vehicles per day, which will significantly reduce carbon emissions.

Given the tight deadline for completion of the Purple Line, construction is underway at eight sites simultaneously. Activities in 2022 included site preparation, drainage, utilities, excavation support and preparation work for the concreting of the roof and foundations.

In **New York**, Judlau was awarded three new contracts by the Metropolitan Transportation Authority (MTA) worth more than EUR 394.4 million (USD 418.0 million). The scope of work embraces accessibility, structural reinforcement and design improvements at several subway stations in the Bronx, Queens and Brooklyn.



Elmont Station. New York, United States.

One of the projects, awarded for EUR 88.4 million (USD 94.7 million), includes painting and structural repair services for bridges and elevated structures on the Dyre Avenue and White Plains Road subway lines in the Bronx borough.

Other work awarded by the MTA is the design-build contract for accessibility improvements at the historic Borough Hall station in the borough of Brooklyn. Valued at EUR 101.5 million (USD 105.3 million), the project encompasses the installation of elevators to bring the structure into compliance with the Americans with Disabilities Act (ADA), and work to extend the useful life of the station structure and restore it to its former aesthetic splendour with new architectural elements.

The largest contract, worth EUR 203.4 million (USD 217.0 million), concerns renovation of five stations on the IRT Flushing line, located in the borough of Queens, also on the New York City Subway. Work focuses on rebuilding platforms and restoring structures in general.

Also in New York, in 2022 the company successfully completed construction of Elmont Station, the first Long Island Rail Road station to be built in nearly 50 years.

In **Illinois**, the Illinois State Toll Highway Authority (ISTHA) awarded Judlau four contracts in 2022 with a combined value of more than EUR 147.7 million (USD 154 million). This brings to 21 the total number of contracts for ISTHA since 2014, when the company opened for business in the Midwest region.

Two of the projects involve improvements to the Tri-State Tollway (I-294): the first, valued at EUR 21.1 million (USD 21.1 million), calls for reconstruction of the Union Pacific Railroad bridge across Grand Avenue, east of the Tollway; the second contract, worth EUR 78.3 million (USD 81.2 million), consists of widening a nearly 2 km stretch of I-294 with large retaining walls, sewers, earthworks, paving and barriers.



Purple Line. Maryland, USA.

Also for ISTHA, Judlau is performing a contract priced at EUR 38.9 million (USD 41.6 million) that involves water main replacement, reconstruction of an intersection and two major roads, bridge rehabilitation, installation of new sidewalks and street lighting, and landscaping in the city of Harvey and the villages of Dixmoor and Riverdale, Illinois.

In **Florida**, OHLA USA was awarded contracts worth more than EUR 121.8 million (USD 130.2 million) by the Florida Department of Transportation, including the EUR 22.1 million (USD 22.1 million) project for road resurfacing and improvements along 20 km of I-75 in Collier County. Our Community Asphalt subsidiary, which provides paving and asphalt services, won contracts worth more than EUR 9.4 million euros (USD

9.6 million) for road improvements in Lehigh, Collier, Hendry and Lee counties.

Also in Florida, OHLA Building, which specializes in unique and singular building projects, won a EUR 15.7 million (USD 15.5 million) construction management contract for Coral Gables Senior High School, covering interior renovations, replacement of electrical and heating, ventilation, air conditioning and civil engineering renovations. The company will also upgrade the heating, ventilation and air conditioning systems at East River and Lake Nona High Schools for Orange County Public Schools in Orlando. New order intake also included the contracts for the Leon Medical Center, in Homestead, and Miami Dade College, in Miami.



I-5 capacity improvement project. Los Angeles, USA.



I-405 improvement project. California, USA.

In **California**, OHLA USA made progress on completing the contract to expand the capacity of the I-5 highway for 21 km in the city of Santa Clarita and several unincorporated areas of Los Angeles County. Awarded by the Los Angeles County Metropolitan Transportation Authority (LA Metro) for an amount of EUR 321 million (USD 379 million), the project is 20% complete. Construction work focuses on widening lanes in the northern section of the I-5 highway and creating a new high-occupancy vehicle lane.

OHLA USA achieved key milestones in the I-405 improvement project, awarded for nearly EUR 1,200.0 million (USD 1,400.0 million), with progress to completion of more than 90%.

Also in California, OHLA USA is executing the EUR 78.1 million (USD 101.3 million) Morena Conveyance North project, which is part of the Pure Water San Diego program led by the city government. The agreement is one of many projects on OHLA's order book to protect the environment and California's valuable water supply.

## ONGOING CONTRACTS

# Replacement of the Throgs Neck suspension deck and rehabilitation of approach spans

### Bronx and Queens, New York City, USA

Project value: EUR 356.6 million (USD 413.0 million)

Judlau is working on two major contracts on New York City's iconic Throgs Neck Bridge. The first project involves replacing the bridge deck, for which the project team is replacing the original concrete roadway with a new, lighter and stronger steel deck that will lighten the weight of the bridge and lengthen its service life. This will require installation of more than 2,200 square metres of orthotropic slab panels.



Work on Throgs Neck Bridge also includes renovation of the platform on the suspended spans of the infrastructure, installation of new median and lateral barriers, new fire protection points and a new lighting system. The company will also replace four suspension stays, repair steel components and reinforce the bridge's main girders and their paint finish. The second contract involves replacement and repair of a wide range of worn-out structures on the approach spans on both sides of Throgs Neck Bridge in the Bronx and Queens. The combined value of the two contracts exceeds EUR 356.6 million (USD 413.0 million).

# Valencia advanced water treatment facility

### Valencia, California, USA

Project value: EUR 76.0 million (USD 87.0 million)

OHLA USA continues work on the Valencia Water Reclamation Plant project, an advanced water treatment plant located along the Santa Clara River. By 2022, we installed microfiltration and nanofiltration systems and electrical room equipment and ground-level tanks. We built canopies and metal buildings, and installed duct banks and underground pipelines. The project is at the 70% stage of completion.

# Accessibility projects at eight New York City Subway stations

### New York, USA

Project value: EUR 121.7 million (USD 149.0 million)



Judlau is executing a design-build project to update and upgrade accessibility infrastructure at eight New York City Subway stations. Progress to completion stands at 70%. Awarded by the Metropolitan Transportation Authority (MTA) for EUR 121.7 million (USD 149.0 million), the project involves installing 18 new elevators at eight stations in five districts of the city.

# Upgrade and rehabilitation of the West 79th Street Rotunda Complex and West 79th Street Bridge over Amtrak rail lines

### New York City, USA

Project value: EUR 128.0 million (USD 150.0 million)

In New York, Judlau is executing a contract worth EUR 128.0 million (USD 150.0 million) for the New York City Department of Transportation (NYCDOT) to upgrade and rehabilitate the West 79th Street Rotunda Complex and West 79th Street Bridge over Amtrak rail lines. The rotunda complex is located on Manhattan's Upper West Side and is listed on the National Register of Historic Places.

## ONGOING CONTRACTS

### I-294 roadway and bridge widening and reconstruction

#### Beverly, Illinois, USA

Project value: EUR 92.5 million (USD 112.0 million)

Judlau is executing a project encompassing roadway and bridge widening and reconstruction of I-294 from milepost 32.4 to 33.5 in Cook County. Major contract features include reconstruction of two bridges spanning over Union Pacific Railroad tracks, a new drainage system, replacing culvert, building detention ponds, and improving signage, lighting, erosion and sediment control, landscaping, lighting, and ITS infrastructure, among other works.



### I-294 Grand Avenue to Wolf Road /I-490 ramps S1 & S2, Franklin Park

#### Illinois, USA

Project value: EUR 135.3 million (USD 152 million)

In Illinois, Judlau is performing this major contract for the reconstruction and widening of the I-294, also known as the Tri-State Tollway, from Grand Avenue to Wolf Road.

The project involves the demolition and reconstruction of four bridges on the Tri-State Tollway and construction of two new bridges, S1 and S2 ramps, at the western approach to the Elgin O'Hare Tollway (I-490).

The project also covers mainline paving, utility relocation, drainage and landscaping improvements, erosion control, and Intelligent Transportation System (ITS) infrastructure.

## South Corridor Bus Rapid Transit

### Miami-Dade County, Florida, USA

Project value: EUR 325.9 million (USD 368.0 million)

OHLA USA is the general contractor for this EUR 325.9 million (USD 368 million) design-build project for the Miami-Dade Department of Transportation and Public Works. The project is more than 50% complete. The company completed construction of 10 of the 13 new bus rapid transit (BRT) stations and four concourse structures, started installation work on the SW 168 parking garage, and completed 305 bored piles and 20% of the pile caps for the garage foundations.

The garage is being built by OHLA Building, which specialises in unique and singular projects. OHLA USA is also making roadway improvements to enhance safety and installing sophisticated traffic signal systems and crossing barrier arms at all intersections along the more than 20 miles of the bus-only corridor.



## Prizes and accolades

OHLA USA achieved major accolades in 2022. We won three ‘Best Project 2022’ awards from the leading trade publication *Engineering News-Record (ENR)* for three of our projects.

Ardie R. Copas State Veterans’ Nursing Home, Florida, was named **‘best project’ in the government construction category**; while the RiverEdge Park Pedestrian Bridge in Aurora, Illinois, was the ‘best project’ in the landscape & urban development category.

In California, our I-405 improvement project was named an **Outstanding Achievement Award** winner by the Southwest Concrete Pavement Association. The project to replace the existing outfall at the Bergen Point wastewater treatment plant by an OHLA USA-led joint venture in New York was picked as **Project of the Year** by the Underground Construction Association in the USD 50 million to USD 500 million contract category.



Members of the OHLA USA team collect ENR’s Best Project award for the Robert F. Kennedy (RFK) Bridge ramp over the Harlem River. United States.

## Safety and training initiatives

OHLA USA’s commitment to safety and health protection earned us two major awards this year. Florida Transportation Builders’ Association acknowledged the company’s outstanding safety record on road and bridge construction projects throughout the state. Our Coral Ridge Drive resurfacing team in Florida won the University of South Florida’s award for improved safety practices and received the prestigious Sunshine State Safety Recognition Award.

OHLA USA, partnering with the Moss School of Construction, Infrastructure, and Sustainability at Florida International University, created a training programme for outreach to vulnerable groups. The goal is to provide students with the technical skills they need to find high-demand jobs in Miami’s construction industry.

## Latin America



El Salto viaduct. Américo Vespucio Oriente I highway. Chile.

OHLA first opened for business in Latin America in 1979. Specifically, we started to do business in Mexico and then expanded into Chile, Peru, Colombia and, more recently, Panama. In 2022, our combined revenue in these countries came to EUR 470.0 million, i.e. 17.3% of total Construction revenue.

In **Chile**, where we have done business for more than 41 years, we completed the engineering and construction of the **Américo Vespucio Oriente I (AVO)** urban highway, one of the largest infrastructure initiatives in the country.

The project, encompassing construction, maintenance and operation of a 9.1 km urban highway that runs through five districts of Santiago and has three lanes in each direction for most of its length, will improve the quality of life of 750.000 people and reduce travel time by 40 minutes.

During 2022, we also completed the expansion of the **third lane on Ruta 78**, from Santiago to Talagante, and expanded our order intake in the country with the award of **section 4 of Line 7 of the Santiago Metro**.

This work is in addition to projects the company already has underway for Santiago Metro as part of an ambitious network expansion plan for the city. These initiatives include civil engineering works and construction of shafts, galleries and tunnels for the **extension of Line 3, Section A in Quilicura**, where the tunnels and the station were completed and are awaiting a formal opening.

OHLA was also awarded the contract for the construction of the **Los Pajaritos overpass in Chile**, an initiative within the framework of the Alameda-Melipilla rail infrastructure improvement project.

In the course of construction of the new forensic medicine department in Santiago, the company reached a key milestone in August 2022 with the installation of the last isolator of the seismic base isolation system, which consists of 47 sliders and 138 isolators. Completion of 100% of the rough work was scheduled for January 2023. The project design envisages construction of six buildings forming a complex of 24,700 m<sup>2</sup>. This will enable the more than 600 forensic medicine staff to more efficiently perform more than 100.000 forensic medical procedures per year.

## ONGOING CONTRACTS

# Progress of rough construction work at the Forensic Medical Department

### Santiago, Chile

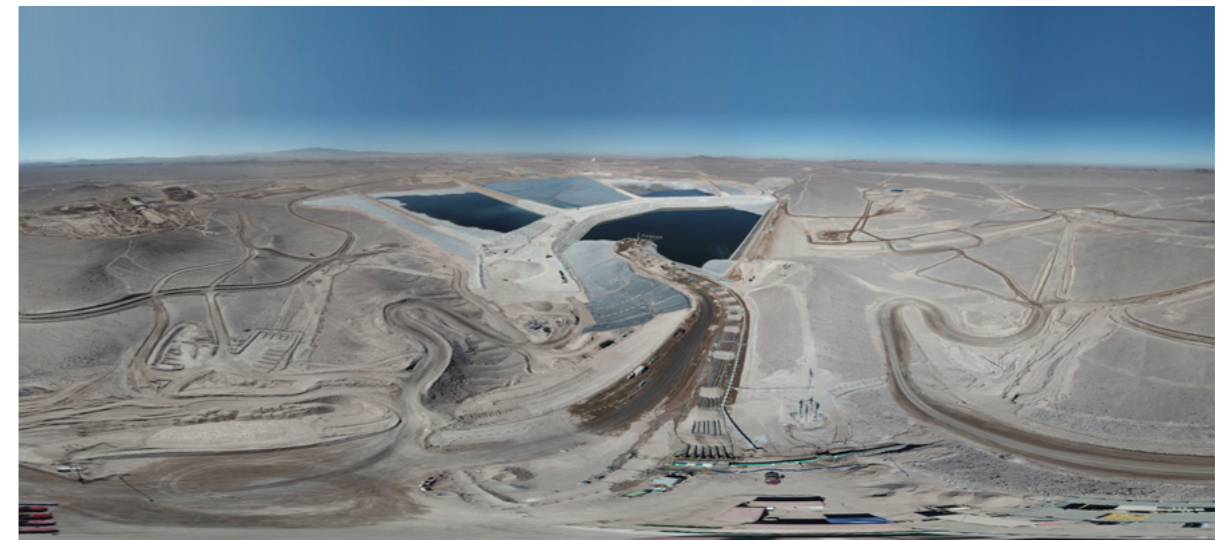
In its more than four decades of presence in Chile, OHLA has built eight hospitals in total, which have provided the country with 382,849 m<sup>2</sup> of built area and 2,351 beds. In 2022, the company moved forward with the design and construction of the concession hospitals in the Biobío network (Santa Bárbara, Nacimiento, Coronel and Lota), meeting all interim deadlines. The four hospitals will provide 569 beds to the health system and serve a population of more than 400,000.



Construction of Forensic Medical Department. Santiago de Chile, Chile.

## Projects in the mining sector, Chile's driving force

Also in 2022, the company expanded its footprint in Chile's mining sector, the country's driving force. We performed canting and construction of walls of the tailings deposit of the **Minera Spence** site in the municipality of Sierra Gorda, Antofagasta region. This project, which is part of the new expansion phase of the mine, will supplement earlier activities. The site is owned by BHP, the world's largest mining firm.



Minera Spence, in the municipal district of Sierra Gorda. Antofagasta region, Chile.

This year we completed the work on the soil reclamation and earthworks at the Teniente mine, with its various expansions, near the city of Rancagua, which involved the excavation of 41,000 m<sup>3</sup> of rock and 60,700 m<sup>3</sup> of earth. We achieved a figure of zero lost-time accidents during the entire execution.

In 2022 we also started the works for replacement of the 'carabineros' (Chilean gendarmerie) training school in the city of Concepción, executed for the Architecture Department of the Chilean Ministry of Public Works.

Regarding the 6,680 m<sup>2</sup> office building and crime laboratory for the Chilean investigative police that OHLA is building in Viña del Mar, this year we completed this year the shielding, excavation and foundations up to the level of the sliders and seismic base isolators.

The company expanded its footprint in Chile's mining sector performing the canting and construction of walls of the tailings deposit of Minera Spence



In **Perú**, where OHLA has been active for 23 years, we are performing major projects in the fields of civil engineering, construction and the mining sector, such as design-build projects for river buffers on the Cañete, Huaura, Casma, Huarmey, Chicama, Virú and Lacramarca rivers. The goal is to protect the population adjacent to the river basin against floods, such as the flood disaster triggered in 2017 by the El Niño Costero climate event.

The scope of work includes construction of retaining dikes and stream channelling and buffering, supplemented by training and technical assistance in flood risk and disaster management. The projects will

benefit more than 360,000 people in Peru, while boosting employment and the local economy.

In the hospital sector, where OHLA has nine decades of experience, the company's backlog includes the new Sullana hospital, the Chulucanas hospital and the Pósope Alto health centre. Pósope Alto was delivered and started operation in November 2022. Delivery of the Chulucanas hospital is scheduled for the first quarter of 2023.

The **Sullana hospital**, the first facility of its kind in the department of Piura, is a 30,000 m<sup>2</sup> hospital complex that will offer 209 beds and serve more than 650,000 people. The **Pósope Alto health centre**, with 4,500 m<sup>2</sup>

of floor space, will serve a population of 62,000 inhabitants of the district of Patapo (department of Lambayeque), while the **Chulucanas hospital**, with 15,000 m<sup>2</sup> of built area and 94 beds, will cater for a population of 400,000 inhabitants.

Also in the hospital sector, the company is building the Aviva clinic in Lima, in the historic old quarter. The facility will be more than 10,000 m<sup>2</sup> in size. These clinics are expected to be enlarged annually.



Riparian buffers of the Lacramarca River. Aerial view of the intervention area. Peru.



Pósope Alto health centre. Peru.



Sullana hospital. Peru.



Chulucanas hospital. Peru.

In the field of sustainable transport infrastructure, OHLA is building the northern extension of the Metropolitano (bus rapid transit system) in the capital, Lima. Specifically, OHLA is carrying out expansion work on the northern section, from Naranjal station to Chimpu Ocllo Avenue. The initiative will improve mobility and quality of life for more than 350.000 people in four districts of northern Lima, providing access to a modern, higher-quality and more accessible and transport service.



North Expansion of the Metropolitano. Lima, Peru.

The company, a leading player in the country's mining sector, has worked since 2012 on a project for the Antamina mine, one of the largest copper deposits in the world. We are building Phases VI and VII of the tailings dam, 4,200 metres above sea level. The body of the dam rises to a maximum height of 200 metres.

In addition, we took in orders for the expansion of Jorge Chávez International Airport, improvements to the Moquegua-Omate-Arequipa highway, and expansion and improvement of the sanitation and drinking water system in the city of Huarney.



Tailings dam. Antamina mine. Ancash, Peru.

OHLA boosted its presence in **Colombia** by winning major contracts, such as the construction project for the Accesos Norte 2 corridor, which will serve close to eight million people by improving mobility and easing vehicle traffic between Bogotá and the north of the country.

The works include construction of an exclusive lane for the BRT (Bus Rapid Transit) system, TransMilenio, from Calle 192 to Calle 235, and 11.6 km of public space: pavements, bike paths, and improvements to crossings and intersections that will optimise pedestrian mobility. The actions on Autopista Norte include an expansion from three to six lanes, two for mixed vehicles and one for the TransMilenio BRT system.

We are also building the Perimetral de Sopó ring-road, which connects the Autopista Norte at Aposentos, near Briceño, with the 4G Perimetral de Oriente ring-road, involving the improvement of 5.5 km and construction of 1.7 km of new road.

In 2022, we completed the Málaga-Los Curos project, with the improvement of 24 km of road and the opening of the Cúcuta aqueduct, designed and built to supply drinking water to more than 800,000 inhabitants in the municipal districts of Cúcuta, Los Patios and Villa del Rosario.

As part of this initiative, we built a structure capturing a water flow of 2.95 m<sup>3</sup> per second, which will be conveyed by gravity along a length of 583 metres of pipeline to the pumping station, from where it will drive a flow of 1.95 m<sup>3</sup> per second of water along a length of 16,958 metres to the El Pórtico treatment plant, providing an uninterrupted drinking water service.



Aqueduct of Cúcuta. Colombia.

In 2021, the company made progress on building the viaduct at kilometre 58 of the Bogotá-Villavicencio highway, which connects the eastern plains to the central area of the country. This project is part of a programme of 50 public works to be executed by Inviás as part of the “Commitment to Colombia” strategy, with a total investment of EUR 2,573.0 million, creating more than 100.000 new direct jobs and paving 1,660 new kilometres of road, which will improve the living standards of 23 million people throughout the country.



Construction of Avenida El Rincón. Colombia.

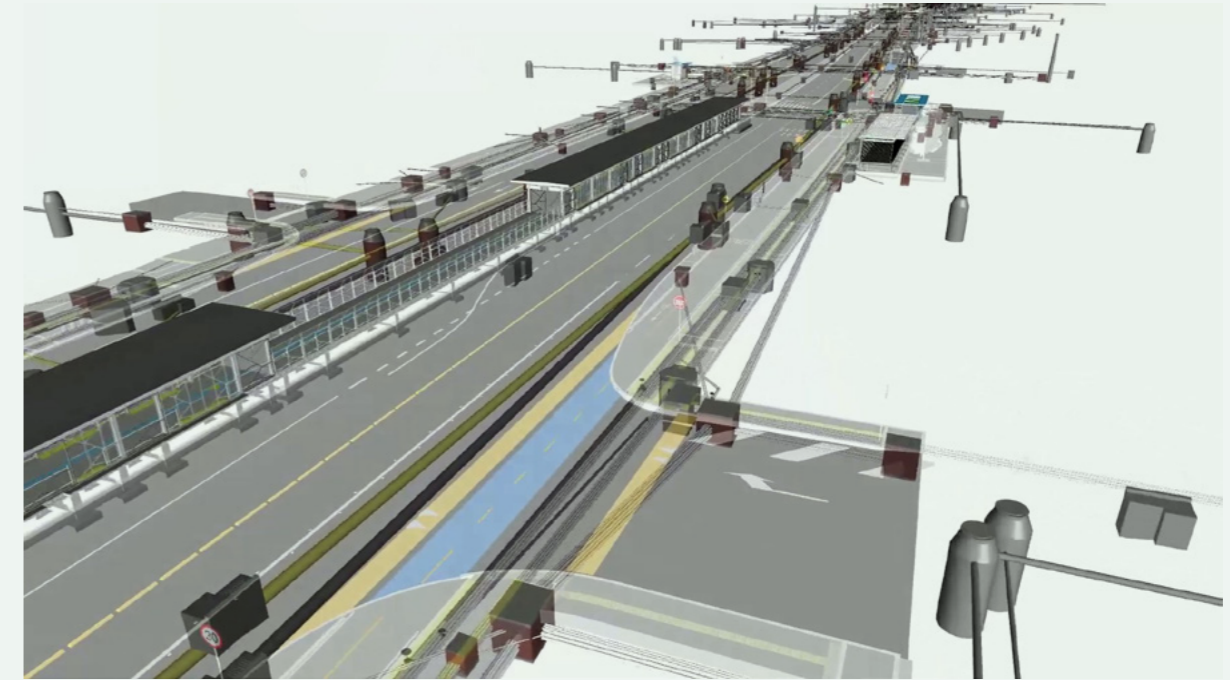
We also made progress on construction of Avenida El Rincón in Bogotá, a project that involves building 2.8 km of dual carriageway, 2 vehicle bridges, 1 curved bridge, 3 pontoons, 2.4 km of bicycle lanes and 54,700 m<sup>2</sup> of public space.

## COMMITTED TO EXCELLENCE

# Avenida Ciudad de Cali Project

BIM 2022 Excellence Award

Colombia



OHLA won the BIM 2022 Excellence Award in Colombia, which recognises good use of the Building Information Modeling methodology in our project for adaptation to the Transmilenio system of the Troncal Avenida Ciudad de Cali Tramo 1, in Bogotá, Colombia. This bus rapid transit system will improve the mobility of the public and benefit the more than 100.000 people who use this sustainable means of transport.

Awarded by the Instituto de Desarrollo Urbano (IDU), the project entails the execution of one of the four sections that will make up the future Avenida Ciudad de Cali, with construction of 1.67 kilometres of roadway, with two lanes for the Transmilenio bus rapid transit system and two lanes for mixed traffic. In addition, the scope of the project includes construction of a 1.66-kilometre bike path, a bicycle station with berths for 102 bicycles, two new Transmilenio stations and 37,000 m<sup>2</sup> of public space.

In this project, we used the collaborative Building Information Modeling (BIM) approach to improve execution at the design and construction stages. The method unifies and centralises all documentary information and drawings in one place, leading to better results in planning and execution, specifically in improved decision-making throughout the life of the project and in the coordination of specialties, reduced interference, CDE in the cloud as a single source of information, and improvements in traceability in the flow of information.

## Among the top 10 Spanish companies that earn the greatest trust in Colombia

The survey 'The Image of Spanish Companies and their Executives in Colombia', conducted in late 2021 and early 2022 by the MESIAS observatory for the international image of Spanish companies, showed that OHLA is one of the ten most trusted Spanish companies in Colombia and the second most trusted in the infrastructure sector. Specifically, OHLA is ranked 10th, in recognition of good practices implemented in the local market.



In **México**, OHLA expanded its footprint with the award of **Section 1 of the Suburban Railway Extension from Lechería station to Felipe Ángeles International Airport (AIFA)**. This infrastructure will boost connectivity and sustainable transport in Mexico City.

The project, which is part of the Felipe Ángeles International Airport mobility plan, will allow passengers to travel efficiently from the airport terminal to the city centre in 45 minutes on electric trains along a 23-kilometre route.

Specifically, the contract involves construction of the first 5 km-long section, where there is currently a 30 metre-wide corridor of freight tracks, so a double passenger track will be built, coexisting with and diverting the current freight trains in the corridor. The infrastructure will be built in three clearly distinct stages: first, the current freight traffic will be diverted to create space for the future suburban tracks; secondly, the current switchyard will be rehabilitated and the double suburban track will be built; thirdly, the 850-metre viaduct span with a maximum height of 8 metres will be built.

The company won a new contract, the **Prado Sur Vehicular Bridge at the intersection with the commuter rail at milepost 31+130**, located in the municipality of Tultitlán, State of Mexico. The project is intended to support the expansion of the Lechería-AIFA commuter rail.

With an approximate development length of 500 metres, the design envisages five central spans of a maximum of 50 metres each to bridge the two freight tracks, two other tracks of the future suburban railway, and the existing roads.

The company is also making progress on the construction of a **double cantilever viaduct on section 3 of the Mexico City-Toluca commuter rail** that will link the Conagua-Manantial cable-stayed bridge with Vasco de Quiroga station in Mexico City. Once completed, the infrastructure will have a length of 200 m, a central span of 85 m and pile heights of 25 m.

## ONGOING CONTRACTS

### Section 1 of Mexico City-Toluca commuter rail completed

#### Mexico

In 2022, OHLA completed the construction of **Section 1 of the Mexico-Toluca commuter rail**, which begins in the city of Toluca and connects with the western mouth of the La Marquesa tunnel. At 36.7 km long, the built section runs mainly along viaducts and includes four elevated passenger stations. There are 11 especially long viaducts totalling 32.1 km and 4 km of unpaved railbed. The stations are designed for trains to run at a speed of 160 km/h (100 mph).



Zinacantepec station, Mexico City-Toluca commuter rail. Mexico.

The contract stipulates programmes to care for the local plant and wildlife, with relocation, reforestation and replacement of protected species. We relocated 346,000 plant species, reforested 53 hectares and replaced 33,000 plants. With respect to wildlife, we carried out programs to repel, rescue, and relocate during the construction stages of earthworks and viaduct substructure. As part of the management programme, we complied with standards for hazardous waste, construction and urban waste, and equipment and vehicle maintenance, always in compliance with local and federal environmental regulations.



Viaduct 2, Mexico City-Toluca commuter rail. Mexico.

In **Panama**, OHLA continues work on the extension of Metro Line 1, which was 40% complete at year-end, from the capital to Villa Zaita in the North Panama sector, with the construction of a 2.2-km-long elevated branch line. The project promotes sustainable mobility and aims to efficiently meet demand towards the outskirts of the San Isidro area.

The works include construction of a terminal station at the northern end of the line with capacity of up to 10,000 passengers at peak hour. The company will also build a bus interchange accommodating more than 8,000 passengers and a car park with 800 spaces.

The project also includes widening of the trans-isthmus highway to six lanes, and pedestrian and landscaping improvements in the project environs.



Rail viaduct. Metro Line 1 extension project, Panama.

## DIGITALIZATION OF THE OHLA GROUP

# A leader in innovation and digital transformation

As part of the digital transformation process OHLA is carrying out in the extension of Line 1 of the Panama Metro, we implemented the BIM (Building Information Modeling) management approach in all phases of the project. As a pioneer in the use of BIM in the construction sector, OHLA embedded this methodology in its workflow model more than a decade ago.



Station: view from the track at the platform level, extracted from the BIM model.

For this project specifically, we used BIM mainly in three action areas:

1. **Coordination (3D)**: creation of models and documentation and spatial coordination of all systems and subsystems.
2. **Measurements (5D)**: real-time extraction or development of fully valued parametric building components while tracking construction progress metrics.
3. **Construction budgeting** using the Cost-it tool.

BIM improves design coordination by identifying and resolving conflicts between the range of different systems and the structure, enhances work planning and tracking, and supports production of 'as built' drawings.

Our contract performance in Panama was one of the first OHLA projects where Cost-it and Presto were used to extract and measure quantities and budgeting.

## Europe

Europe - and Spain in particular - is OHLA's original market, where it has built infrastructure for more than 110 years. In 2022, we performed construction contracts in the Czech Republic, Slovakia, Spain, Sweden, Norway and Ireland.

Revenue in Europe came to EUR 1,058.4 million, 39.1% of total Construction revenue.

The company expanded its railway backlog in the **Czech Republic** in 2022 with major contracts, such as the electrification work on the 10-km rail section between the towns of Strelce and Zastávka, which is part of the corridor between Brno and Jihlava. The project, worth more than EUR 120 million, involves extension of the infrastructure with a double track and an increase in speed to 120 km ph.

OHLA is also making progress on major projects, such as reconstruction of the Vsetín rail station, modernisation of the Sudoměřice-Votice railway line, reconstruction of the double line of the Adamov-Blansko section, electrification and modernisation of the Libina-Uničov line, reconstruction of the railway bridge over the Svitava River, and works on road II/374 in the Brno-Maloměřice St.6-Adamov, BC project.

In the hospitals segment, we bolstered our order intake with the award of the second phase of the project for the extension and reconstruction of the emergency ward for the České Budejovice hospital.

In our hospitals business line, we also improved the energy efficiency of the hospitalisation block of Ostrava university hospital. In addition, we moved forward with construction of the new emergency ward, central operating theatres and intensive care unit at Nemocnice Chomutov hospital.

In the civil engineering segment, the company will rebuild the Otakara Ševčíka bridges over Ostravská street, an infrastructure supporting four lanes of the I/42 highway in Brno. The goal of the project is the repair of six structures, including two main viaducts and four adjacent bridge ramps.

Also in Brno, we participated in the project for flood protection measures on the Svatka River and the extension of the city's main urban ring road, with two contracts awarded by the State directorate for roads and motorways, for a combined value of more than EUR 125 million.

OHLA expanded its railway backlog in the Czech Republic in 2022 with major contracts



Reconstruction of the railway bridge over the Svitava River. Czech Republic.

## OHLA ŽS, a 70-year history



National Theatre, Prague. Czech Republic.

Our subsidiary OHLA ŽS boasts a 70-year history. Over the past seven decades, it has cemented its presence as one of the main construction companies in the Czech Republic, focusing on modernisation and development of key rail and road infrastructure and singular buildings.

The company was founded on 1 October 1952 as the state-controlled corporation Brno Railway Construction. The firm specialises in railway construction, repair and modernisation. It carried out major contracts such as the refurbishment of the Česká Třebová railway junction, construction of the Ivančický viaduct and reconstruction of the Žižkov tunnel.

In 1992, the state-controlled company was transformed into the joint-stock company ŽS Brno, which took part in the first contracts for the European network of rail corridors and expanded its business to other fields of construction. Some of the firm's major projects at this time included the Znojmo viaduct, reconstruction of Moravský Krumlov Castle, and construction of the first railway corridor in the section between Děčín and Brno and the second corridor in the section between Břeclav and Bohumín.

OHLA acquired the company in 2003. Since then, the Group's Czech subsidiary has completed a wide range of civil engineering and singular and hospital building projects. Thanks to this expansion of its footprint, OHLA achieved an outstanding position in Central and Eastern Europe, and widened its presence to markets such as Poland, Bosnia and Herzegovina, Bulgaria, Moldova and Hungary.

OHLA ŽS executed landmark projects, such as optimisation of rail track between the cities of Plzeň and Stříbro and the Královo Pole tunnels in Brno, modernisation of the Tábor-Sudoměřice railway line and rehabilitation of the National Theatre in Prague. The company took part in rebuilding Vsetin railway station, close to Slovakia: this facility is part of the trans-European corridor.

In **Slovakia**, the company made progress on the contract for improvement of the Žilina-Teplička railway section, which connects the northeast of the country with the Czech Republic, through rehabilitation of the Žilina station and surrounding buildings and works on railway superstructure and substructure, platforms and bridges.

We also made progress in the construction of the Hubová-Ivachnová section of the D1 highway, Slovakia's main transport route. The section built by OHLA is 15.3 km long and has a roadway of 26.5 m in total width, built for a maximum speed of 200 km/h.



Hubová-Ivachnová section of the D1 motorway. Slovakia.

In **Spain**, OHLA strengthened its hospital backlog with the award of the contract for renovation and expansion of Manacor hospital, Majorca, which will serve a population of more than 150.000. The scope of the project encompasses construction of an outpatient building and a surgical and obstetric block. Once completed, the hospital will have a floor space of 53,445 m<sup>2</sup>, double the current area.

Other projects now underway include construction of the new hospital in Cuenca, expansion and renovation of the Albacete university hospital complex, a new hospital in Ontinyent, expansion and renovation of the Viladecans hospital and the Las Palmas maternity and children's university hospital (phase II) in the Canary Islands.

In the rail sector, the company won a new contract to build the platform for the Arroyo de Santa María-Navalmoral de la Mata section of the Madrid-Extremadura-Portuguese border high-speed line.



Infographic of the expansion and refurbishment of Hospital de Manacor. Balearic Islands, Spain.

For Adif, the Spanish state-owned railway network manager, several initiatives continue to move forward: construction of the Villafranca-Peralta section of the Zaragoza-Pamplona high-speed line, part of the Cantabrian-Mediterranean corridor; construction of the Mondragón-Elorrio-Bergara section of the Vitoria-Bilbao-San Sebastián high-speed line; and the project to improve the Guadalmez-Córdoba section of the Madrid-Seville high-speed line.

OHLA expanded its road works backlog by winning the contract for doubling lanes on the CN-350 road at the southern entry point to the port of the Bay of Algeciras, Cadiz province, and conservation, adaptation and maintenance of transport infrastructure on the roads within Lot II: Valencia Sur. We also took part in the Puerto del Rosario-La Caldereta dual carriageway project in Fuerteventura with the construction of the fourth of the six sections comprising the north-south corridor on the island. The project involves construction of a 17-km dual carriageway. We are also upgrading the N-II in the section between Tordera,

Barcelona province, and Maçanet de la Selva, Girona province, and performing the widening to three lanes of the Carraixet-Valencia section of the V-21 dual carriageway.

In 2022, the company continued to work on major projects such as Lot 4 of the pipeline renovation works for the Canal de Isabel II supply network in Madrid province and the construction and commissioning of the new wastewater treatment plant at Sinova, Soria province, including the new outfall tunnel. Designed to treat 48,000 m<sup>3</sup>/day of water, the outfall pipe will serve a 'population equivalent' of 180,000.

In the hotel sector, we worked on the La Alcaidesa complex, San Roque, Cadiz province, where OHLA has built a range of structures under LEED Gold certification. We are also refurbishing the historic Meliá Tamarindos hotel, in the heart of the San Agustín district in Gran Canaria, and the Meliá Atlanterra in Zahara de los Atunes, Cadiz province. We were also awarded the construction of the new courthouse complexes in Liria, Valencia province, and Lorca, Murcia province.



Sinova wastewater treatment plant. Soria, Spain.

## ONGOING CONTRACTS

# Méndez Álvaro campus: the largest office complex in Madrid built under sustainability standards

### Madrid, Spain

OHLA is building the largest office complex within the boundary of Madrid's M-30 ringroad. The contract is part of the Madnum project, Inmobiliaria Colonial's Campus in the Méndez Álvaro area, where we are erecting an office building with 55,135 m<sup>2</sup> of floor space.



Infographic. Campus Méndez Álvaro, Madrid, Spain.

In its construction, we shall apply advanced sustainability and energy efficiency standards aimed at achieving LEED Platinum certification. This approach ensures the building will be energy-efficient, while its construction materials have been selected according to sustainability criteria. The site will make use of alternative energy sources and meet the highest environmental quality standards.

We will use the Lean Construction project delivery process and the principles of the Last Planner system, which encourage collaborative planning by the site team, subcontractors and suppliers and improve project and site procedures.

### The company implemented the Agile methodology in its work model

# Elsan earns award for project management excellence



The Elsan team displays the award from BP.

Elsan, an OHLA subsidiary specialising in asphalt and construction, was awarded an Agile Award from BP. This distinction highlights the implementation of the Agile method in construction and refurbishment projects at service stations for the oil company. The approach supports sustainable control of resources and project execution within deadline and on budget, after applying flexibility and immediacy in communication with the client to adapt the project and its implementation to the specific circumstances of the environment.

Elsan has more than 30 years of experience working with oil companies on the construction and maintenance of their facilities throughout Spain. The company implements projects to refurbish or repurpose older service stations according to new quality and safety standards, including new implementations for washing and catering areas within the service station itself and installation of electric vehicle charging stations.

In **Sweden**, OHLA strengthened its presence in railway infrastructure with a new contract for the extension of the Stockholm Metro. Awarded by Region Stockholm for nearly EUR 85 million, the project makes OHLA the largest contractor in the country's capital, where we have won contracts worth a combined EUR 238 million. This initiative will serve more than 300,000 users who use this sustainable means of transport on a daily basis.

The new contract, comprising Sockenplan phase 2 and Slakthusområdet, includes construction of a 1.2-km section of a new metro line with two tracks and a service tunnel, and of a new metro station, Slakthusområdet, at a depth of 50 m below ground, including a concourse, ventilation shafts, containment structures and a 310-m concrete tunnel built using the cut-and-cover system.

This is OHLA's third contract win with Region Stockholm for extension of the blue line of the Stockholm metro. The first contract, at Kungsträdgården, includes the construction of two single-track tunnels, a service tunnel, and several cross-tunnels, with a total length of approximately 4.5 km.

A further project involves construction of two line tunnels and a service tunnel with a total length of 3.1 km, and a 300 m long metro station at a depth of almost 70 m below the Gullmarsplan transport interchange, the third busiest station in the country.



Extension work on the Stockholm Metro Blue Line from Gullmarsplan station. Sweden.



## ONGOING CONTRACTS

# Lund-Arlöv, one of the largest digitalisation projects in Europe

We continue to work on the Lund-Arlöv project in Malmö, Sweden, where we successfully completed one of the most advanced rail digitalisation projects in Europe through combined use of BIM methods, geographic information systems (GIS) and drones.

The works will improve one of Sweden's busiest rail routes, with a daily traffic of 450 trains and approximately 60,000 passengers. Once completed, the rail infrastructure will increase its capacity to 650 trains and 80,000 passengers per day. In 2022, this initiative was recognised by the Swedish Green Building Council as 'project of the year', based on its positive social and environmental impact. The jury highlighted its contribution from a circular economy point of view.



In **Norway**, OHLA achieved a new milestone with the opening of the EPC Ski project, the first of the railway projects to be completed within the Follo Line, Norway's largest-ever transport initiative. Nearly 100.000 passengers will benefit from this infrastructure, which includes a range of actions with a high sustainable value and a positive impact on connections with Oslo, on user accessibility and on environmental protection.



The Ski Project rail works, a part of the Follo Line. Norway.

For this project, awarded by the Norwegian Railway Directorate for approximately EUR 290 million, OHLA built a new route from the south exit of the Follo Line tunnels to the south of the city of Ski. In total, the project involved 3.5 km of track, with 13.6 km of ballasted track and 40 turnouts. The construction of the station at Ski involved six tracks, three central platforms with their corresponding roofs and an underpass.

The new infrastructure, designed to reach a speed of up to 250 km/h, will reduce travel time by 50%, from 22 to 11 minutes, facilitate the transport of goods, which will boost economic development in the region, and favour connection with the continent through a potential high-speed line.

OHLA has added to its order intake in **Ireland** a design-build contract for four schools, worth nearly EUR 75.0 million. The projects, located in different parts of the country, were awarded by the Irish Department of Education and will benefit more than 2,200 primary and secondary school students.

The largest project is the Belmayne ETSS secondary school project in Dublin, which embraces the design and construction of a new 11,747 m<sup>2</sup> building with two and three-story areas and capacity for 1,000 students. All four schools will have areas dedicated exclusively to students with special needs.

OHLA will implement the project under sustainable construction standards: both during construction and the operation phase, it will apply the NZEB A3 (Near Zero Energy Building) and BER (Building Energy Rating) certification standards, which confirm optimal energy performance of the buildings and use of alternative energy sources.

The company was also awarded the construction contract for the Academic Hub & Library of the Technological University Dublin (TU Dublin), a complex of buildings and spaces located in Grangegorman, one of the city's flagship university campuses. The work will involve approximately 12,580 m<sup>2</sup> of development, with 9,505 m<sup>2</sup> of new construction, in addition to retained elements of existing structures.



Construction of four schools in Ireland.



Infographic: Academic Hub & Library, Technological University Dublin. Ireland.

## Social Housing Bundle 2, winner of 'Best Social Infrastructure Project' award

### Ireland



The Social Housing Bundle 2 (SHB2) social-sustainable housing project, built and now operating in Ireland, won the Partnership Awards 2022 in the Best Social Infrastructure Project category, which recognises the best public-private partnership initiatives in the construction sector worldwide.

The SHB2 initiative, developed as a public-private partnership, comprises construction and maintenance over 25 years of 465 sustainable social housing units (110 apartments and 355 single-family homes), involving an investment of more than EUR 130.0 million. The project is part of the Irish government's second social housing investment package in the region, covering counties Cork, Kildare, Clare, Galway, Waterford and Roscommon.

This is the first project of this nature completed by OHLA in the field of concession developments in Ireland. We applied the BIM (Building Information Modeling) methodology and Nearly Zero Energy Buildings (nZEB) criteria, meeting the requirements of the Energy Performance of Buildings Directive (2010/31/EC).

## National Forensic Mental Health Service, recipient of an Award of Merit from *ENR*

OHLA was honoured with an Award of Merit from the prestigious Engineering News-Record (ENR) for the design and construction of the National Forensic Mental Health Service (NFMHS), a new state-of-the-art hospital facility located in Portrane, 22 km north of Dublin, Ireland. Formally opened in November 2022, the complex was awarded an accolade in the Healthcare category of the Global Best Projects Awards 2022. Presented in 19 different categories, the awards recognise some of the leading construction projects in the fields of education, culture and healthcare around the world.



Built in the form of a campus, the complex covers an area of more than 24,000 m<sup>2</sup> and consists of 10 buildings with a capacity for up to 170 patients.

The project design process followed the BIM (Building Information Modeling) approach to optimise costs and ensure responsible use of materials.

We achieved the BREEAM “Excellent” sustainable certification level through measures such as recycling more than 50,000 m<sup>3</sup> of excavation materials at the construction site.

## Business performance

OHLA will continue to strengthen its order intake in 2023 with new contracts in our core geographies: the United States, Latin America and Europe. In all our areas we have programmes underway to promote core infrastructure to reactivate development.

Infrastructure is both a lever for a country’s growth and a shield against adverse economic cycles. Furthermore, in the current environment, use of public-private partnership schemes is a strong investment alternative: it improves the public deficit and supports efficient, streamlined management by incorporating in a single contract the design, financing, construction and operation of the infrastructure, while ensuring that expenditure is distributed fairly over the long term.

The Latin American region offers a special opportunity for infrastructure groups such as OHLA.

In its paper ‘The Infrastructure Gap in Latin America and the Caribbean’, Banco Iberoamericano de Desarrollo estimates that in order to progress towards the Sustainable Development Goals (SDGs) by 2030, infrastructure investment effort relative to the size of the economy of Latin America and the Caribbean should be at least 3.12% of GDP each year until 2030.

The United States, for its part, has launched the largest investment in public works since 1956, following the approval of a USD 1.2 trillion plan to modernise the infrastructure of the world’s leading power. These funds are supplemented by additional outlays for renewable energies, electric vehicles and energy efficiency.

In Europe, the EU Next Generation funds, endowed with EUR 750 billion, will help strengthen construction, improve infrastructure, and advance the ecological and digital transition.



Purple Line Light Rail. USA.

## Pacadar

Pacadar became a member of Grupo OHLA in 2021. Founded in 1944, this subsidiary is an expert in precast products for infrastructure projects (highways, high-speed rail, underground rail and suburban light rail, etc.), industrial and energy-related projects (refineries, power plants, wind energy, logistics parks, etc.), and institutional building projects (hospitals, car parks, sports centres, shopping and leisure centres, etc.), in addition to high-tech developments such as the particle accelerators underway in Europe.

Since its incorporation, Pacadar has set milestones in the precast concrete industry in Spain and elsewhere through ongoing technological innovation. It has been a leading name in the sector for more than 70 years. With seven factories in Spain, the company has a tried and tested capacity to implement mobile plants internationally.

In 2012, Pacadar started an expansion process, exporting its technology to countries as diverse as Panama, Saudi Arabia, Mexico, Kuwait, France, the United Kingdom and Sweden, where it took part in technologically sophisticated projects involving high productive complexity.

While continuing its business in Spain, Pacadar is currently carrying out major projects for international contractors in Panama and in the United Kingdom, where it is especially active in the high-speed rail sector, with projects such as the installation of segments for the Northolt Tunnel West high-speed tunnel.



## Industrial

For 2022, revenue from the Industrial business came to EUR 130.6 million, slightly below the year-earlier figure. This was mainly due to the slowdown in order intake in the first half of the year as a result of lower activity in the renewables business. Ebitda was EUR 4.4 million, higher than in the previous year, due to improved earnings from renewable energy projects.

### Project backlog

In the renewable energy business, we launched four new projects in 2022, bringing our portfolio to an additional 416 MW under construction:

- Celso / Prisca 100 MW photovoltaic plant in Cadiz. Spain.
- Cedillo I and III photovoltaic 150 MW plant in Cáceres. Spain.
- Salina I and III photovoltaic 100 MW plant in Cuenca. Spain.
- Zaratán / Arroyadas 66 MW photovoltaic plant in Valladolid. Spain.

In the Mining and Cement business, we completed the construction and commissioning of the Mantos Blancos project in Chile, which started commercial operation in July.

The Fire Protection business, which we carry out through our subsidiary Chepro, was reinforced with a commitment to state-of-the-art security systems, in addition to existing active and passive textile methods.

### New projects and outlook

Although 2022 was better than the previous year in terms of order intake, especially during the second half, we expect order intake to improve further in 2023, mainly in renewable projects, as the company has strongly positioned bids.

In renewable energy specifically, where OHLA continues to gain market share, we are working on a range of different business lines:

- Development, construction (full EPC and BOS: Engineering Procurement and Construction and Business Operating System) and,
- Operation and maintenance contracts.

Geographically, over the year we submitted bids in Spain, Chile, Colombia and Peru.

In **Mining and Cement**, we are present in Chile, Spain, Peru and Mexico. Our offered services range from the supply of equipment and spare parts to the execution of EPC and EPCM (Engineering Procurement and Construction Management) projects, including operation and maintenance.

Fire Protection expects to continue to increase revenue in the coming years. We will accordingly continue with geographic diversification of our EPCM projects and will roll out new activities.

## ONGOING CONTRACTS

# More than 1,200 MW of clean energy under management

OHLA boosts its sustainable infrastructure portfolio. In 2022, the company was awarded new projects for the design, construction and commissioning of four photovoltaic plants in Spain for a combined amount of more than EUR 130 million. With OHLA's engagement in these projects, the company reduces its carbon footprint, confirming its commitment to the fight against climate change.



50 MW photovoltaic plant, Olivares, Jaén, Spain.

### 25 renewable energy projects in Europe, the Americas and Asia

OHLA's backlog includes more than 25 renewable energy projects, both completed and under construction, in Europe, the Americas and Asia, with a total installed capacity of more than 1,200 MW. This energy will supply approximately 220,000 households annually. Clean energy generation avoids thousands of tons of carbon dioxide emissions into the atmosphere. For example, a 100 MW renewable plant avoids more than 150,000 tonnes of carbon dioxide per year compared to other generation technologies.

In Spain, where it has nearly 700 MW under management, OHLA completed major clean energy generation contracts, including the Arenales solar thermal plant (50 MW) and the Puerto Errado plant in Murcia (30 MW), one of the largest built in the world to date. We also built the Valiente wind farm in Huesca, the San Juan del Puerto biomass plant (50MW) in the province of Huelva, and the Trujillo III (11MW), La Olmeda (6MW), Zafra (50MW), Huéneja (150 MW) Olivares (50MW) and Los Llanos (150MW) solar power plants.

# Latin America: more than 530 MW under management

In Latin America, we have close to 530 MW of power generation capacity under management, serving a population equivalent of approximately 100.000 people. We manage the La Jacinta Solar photovoltaic plant (65 MW capacity), located in Uruguay, the Perote II photovoltaic plant (120 MW), located in Mexico, and the La Huella photovoltaic facility (87 MW) and the La Estrella wind farm (50 MW), both in Chile. In Chile, we are also building the 200 MW Coya solar power plant.

Other projects we carried out include the 20 MW photovoltaic plant in Tucson (Arizona, USA), and the Al Mafraq and Empire I photovoltaic plants, each providing capacity of 65 MW and located in Jordan.



Planta fotovoltaica Coya, de 200 MW. Chile.

SUCCESS STORY

# Boosting rural employment at the Los Llanos Solar Power Plant

Badajoz, Spain

OHLA is creating jobs and driving the development and revitalization of the environment in which its solar power projects are located with the aim of reversing depopulation in rural areas. Specifically, our contribution led to the creation of more than 1,500 jobs in Extremadura, Andalusia and Murcia, in addition to collaboration with local suppliers, which helps boost the economy and support the progress and welfare of the communities at the site where we perform the contract.

In the case of the Los Llanos I, II and III solar power plant, located five kilometres from the town of Medina de Las Torres, in Badajoz province, we ran a campaign for the local unemployed, providing them with specific training in the field of renewable energies. Subsequently, we invited them to apply for construction jobs at the plant.

Specifically, we entered into a partnership with the Bodión Empleo V (Mancomunidad Río Bodión) occupational training school, where students performed quality control and assembly of photovoltaic structures, shadowed the OHLA works team and learned first-hand, so that they are now ready to join a growing sector with a sound basis of experience.

In addition, OHLA employed 14 manual workers directly, in addition to hiring civil supervision, quality and safety experts locally, as part of a project to create 800 direct jobs, of which 200 were direct local jobs (experts and manual workers) in the catchment of the project (Zafra-Río Bodión area).

## Environmental and heritage conservation

In the course of construction and design of Los Llanos, we implemented measures to minimise environmental impact and protect **native species of flora and wildlife where the facility is located**. We also considered the specific habitat and its surrounding areas, which in some cases comprise agricultural and livestock farms.

We also implemented actions related to the conservation of cultural heritage. OHLA took part in supporting the archaeological team deployed by the Extremadura regional government.



## Services

2022 was once again a year of growth and transformation for the Services division. Revenue increased by 8% compared to the previous year, reaching EUR 390.0 million, while EBITDA rose 4%, exceeding EUR 16 million. The Services division came under significant pressure due to labour costs, due to increases under industry wage deals - in line with inflation - and in fuel costs, which are a significant item in transport and solid urban waste collection activities. This activity is not covered by Spain's recent RDL 14/2022 statutory instrument on transport subsidies.

In terms of order intake and backlog, we also met our targets. We attracted EUR 506 million in order intake and amassed a backlog of EUR 620.6 million, which is equivalent to 18.9 months of sales by the standards of our industry peers.

The Services division continues to make decisive progress in its digital transformation strategy, improving the efficiency of its operations by investing in its back-office capabilities. We stand out ourselves from the competition by introducing innovative solutions in existing business areas and exploring new businesses based on market needs, generated through an innovation governance model recognised by Forética, a leading organization in sustainability and corporate social responsibility in Spain that is ISO 56002-certified for innovation management systems.



Street cleaning in Madrid, Spain.

## Business areas

At the sector level, **building cleaning** during 2022 was hurt by the rising cost of products and materials due to the increase in the cost of commodities and energy and, above all, labour, which accounts for 85% of costs in this segment. However, we adapted our management to achieve wider flexibility and hit our initial budget targets with organic growth of 7.5%.

According to industry estimates, the health and social care sector grew by around 3% per year in the 2021-2022 period. The home care business has a bright outlook in view of rising demand as a result of the aging of the population and increased public and private funds allocated to this line of activity, with an upward trend in the number of home help and remote assistance users.

Ingesan, our main subsidiary in the Services division, has boosted investment in technology to improve service and the development of new assistance models through the VERA platform, which hosts the 'virtual day care centre', where the usual activities of a day care centre are transferred to the dependent person's home. This avoids waiting lists and saves government expenditure. The company is currently providing this service to the city councils of Malaga, Teruel and Barcelona, and has been recognised at the 'Tecnosocial' congress as implementing good practices in R&D&I in social services and prevention of dependency.

In our **maintenance and energy efficiency** activity, the incipient recovery seen in 2021, where the sector's growth reached 4%, continued in 2022. In addition, we activated the improvement of energy efficiency in buildings and facilities, boosted by the influx of EU funds. The improvement of public lighting and the implementation of solar power systems for self-consumption could be new avenues for development.

In the overall maintenance and energy efficiency business, our revenue rose 28%. We won new energy-efficiency contracts in the field of lighting and buildings and in the assembly of a solar power installation for self-consumption at the San Pedro hospital (Rioja Salud), with an installed capacity of 2.35 MW. We continue to work on major projects in the retail sector (Inditex), where we helped implement a range of solutions for their facilities in Spain and coordinated the project across Europe.

In **urban and environmental services**, we saw a significant change in integrated waste management, both in collection and transport and in treatment, due to introduction of the new law on waste and contaminated soils. In addition, we expect more changes in the segment with the upcoming entry into force of Spain's upcoming statutory instrument or Real Decreto on packaging waste, which is still in draft form.

Our urban and environmental services business grew selectively in the most technologically advanced and profitable areas, mainly in waste collection and treatment, as a result of the start-up and renewal of contracts with Madrid City Council, Spain. In this sector, key factors include: renewal of Lot 2 of waste collection for Madrid City Council; entry into the management scope of the collection, transport and subsequent treatment of waste in the public hospitals of the Generalitat Valenciana, through the subsidiary Inizia, after its start-up in 2021; and the collection of waste from several regions in the north of Catalonia.

In the overall maintenance and energy efficiency business, our revenue rose 28%. We won new energy-efficiency contracts in the field of lighting and buildings

## International activity

In Chile, where Ingesan has operated since 2014, there was an increase in labour costs following the 19% rise in the statutory minimum wage, to which was added the increase in fuel and commodity prices also seen in other geographies. The momentum of order intake in the previous year led to a 21% growth in revenue and a 30% increase in margins, due to the growth in the private sector and in the facilities management area.

In Mexico, we continued to grow steadily, establishing closer relationships with top-tier clients such as Telefónica. We now provide cleaning and building maintenance services in five regions of the country, including to major retailers such as C&A, STLonia and Liverpool.

## Near-term outlook

In a context of uncertainty for 2023, the company's forecasts are to maintain the profitability, order intake and cash generation seen in recent years, while moving forward with the digital transformation strategy and launching new PPII products applied to services and providing innovative solutions to customers as the main value-added factor.

## Order in take in 2022

The Services division has a backlog of more than 500 contracts in force. New contracts for 2021 across the different lines of business mainly include:

### Cleaning of buildings and facilities

- **Cleaning service** for Consorci Sanitari del Maresme sites. Generalitat de Catalunya, Spain.  
Budget: EUR 11.3 million.
- **Cleaning and sanitation service** for the Zamora healthcare complex. Sacyl, health department of the Junta de Castilla y León, Spain.  
Budget: EUR 11.0 million.
- **Cleaning service** for Sociedad Estatal de Correos, Lot 7, Barcelona Norte and Girona, Lot 13, Badajoz and Cáceres, and Lot 15, Almería, Granada, Jaén, Malaga and Melilla, all in Spain.  
Budget: EUR 7.7 million.
- **Cleaning service** for the Egogain Residence. Diputación Foral de Guipúzcoa, Spain.  
Budget: EUR 6.0 million.

### Social and healthcare

- **Integrated Management of Residence for the Elderly and Day Care Centre** of the Town Council of La Zarza, Badajoz province, Spain.  
Budget: EUR 4.9 million.
- **Integrated Management** of Villaverde Alzheimer's Residence. Comunidad de Madrid, Spain.  
Budget: EUR 4.8 million.

### Maintenance

- **Maintenance and conservation contract** for municipal buildings and facilities, and repair and refurbishment actions required by the projects and works service of the City Council of León, Spain.  
Budget: EUR 3.1 million.
- **Master agreement for the refurbishment, repair and conservation works** for all buildings belonging to the Madrid City Council, Spain.  
Budget: EUR 4.0 million.
- **Maintenance** of government office buildings of the Xunta de Galicia, Spain.  
Budget: EUR 9.6 million.

### Urban and environmental services

- **Waste containerisation, collection and transport**, Lot 2 East, Madrid City Council, Spain.  
Contract value: EUR 95.8 million.
- **Street and beach cleaning service** for the municipality of Isla Cristina, Spain.  
Budget: EUR 13.8 million.
- **Collection of waste and organic fractions** from the Bages Consortium, Spain.  
Budget: EUR 3.3 million.
- **Collection, transport and treatment of sanitary and hazardous waste** of the Valencian department of public health (Lots 3, 4 and 6), Spain.  
Budget: EUR 6 million.
- **Street cleaning** for the City Council of Sevilla La Nueva, Spain.  
Budget: EUR 5.6 million.
- **Renewal of the landscaping maintenance agreement** in San Javier, Chile.  
Budget: EUR 3.4 million.



## Concessions

During 2022, OHLA Concesiones S.L. (formerly Senda Infraestructuras S.A.) continued to work on bidding for and performing projects in its three core geographies: North America, Latin America and Europe.

## Projects in 2022

In **Colombia**, OHLA was awarded the design, construction, improvement, operation and maintenance of the Corredor Accesos Norte 2 project in the city of Bogotá, with an investment of approximately EUR 700 million and a concession term of 29 years. The agreement was signed in April 2022 with the Agencia Nacional de Infraestructura (ANI). The new corridor will benefit approximately 8 million inhabitants within the catchment and relieve traffic congestion between Bogotá and the north of the country.

In **Chile**, we are developing the Biobío hospital network project, with an investment of close to EUR 400 million and a 19-year concession term for the design, construction, supply and installation of medical equipment, and for the maintenance of four hospitals in the Biobío region, with a total surface area of 133,457 m<sup>2</sup> and 569 beds for a population of more than 400,000 people.

Also in Chile, the Ministry of Public Works announced its intention to award the design, construction, supply and installation of medical equipment and maintenance of the Instituto Nacional del Cáncer project in the city of Santiago, with an investment of more than EUR 300 million over the next 22.5 years. This leading hospital, with highly complex care and high-tech equipment, will have a total surface area of 86,000 m<sup>2</sup> and 249 beds. Finally, in February 2023 we were awarded the contract to build the seat of the Instituto Nacional del Cáncer.

In addition, we continue with the operation of the Santiago courthouse complex, now in its last years of operation.



Biobío hospital network. Santa Bárbara hospital. Chile.

## Europe

In **Ireland**, 465 new sustainable social housing units are being managed under the Social Housing Bundle project, with an investment of more than EUR 130 million.



Social Housing Bundle. Ireland.

In **Spain**, the company operates the Burgos hospital, the marinas of Bara and Marina Urola (Catalonia and the Basque Country, respectively), and the Horta and Sant Andreu police stations in Barcelona (Catalonia).

In the Community of Madrid, we have begun work on the Niño Jesús hospital expansion project, which consists of the design, construction and operation of an underground car park with 808 parking spaces and the design and construction of a 9,300 m<sup>2</sup> hospital building, with an investment of approximately EUR 40 million and a concession term of 39 years.

In Ireland,  
465 new  
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Housing Bundle  
project

In **Canada**, the company continues to operate the Centre hospitalier de l'Université de Montréal (CHUM) project, which earns the company recurring annual revenue. OHLA intends to sell its non-controlling interest in the company, which is treated as an asset held for sale.



Centre hospitalier de l'Université de Montréal (CHUM), Canada.

## Outlook

OHLA will continue with its role as a developer of infrastructure concessions in its three core geographies in order to win construction contracts with attractive margins, while minimising capital contributions and seeking alliances with funds and financial partners that provide capital.

Our objective is that, in the medium term, construction contracts tied to concessions account for 30% of the Group's order intake. This volume of business, combined with our asset rotation policy, would enable us to cover the estimated funds needed to invest capital in each new concession contract.

## Developments

In the Developments division, after the opening of the Four Seasons Hotel in September 2020, Galería Canalejas was officially inaugurated in June 2022, with iconic retail brands such as Aquazzura, Omega, Rolex, Saint Laurent, Valentino, Zegna, Louis Vuitton and Beauty Gallery by ISOLÉE, and more than 20 brands of premium cosmetics, makeup and signature perfumes. Previously, in 2020 and 2021, the flagship Maisons Hermès and Cartier opened their doors, and Dior is expected to become part of this flagship luxury site in 2023.

Galería Canalejas, which features some of the more than 17,000 restored ornamental pieces, offers customers and visitors a wealth of historical heritage.

## Core assets

### Centro Canalejas Madrid

Comprising the emblematic Four Seasons Hotel, the exclusive Galería Canalejas and the Food Hall, a unique gastronomic space that occupies one of the three floors of Galería Canalejas, with 22 branded residences equipped with hotel-standard services and a parking garage with 400 spaces, Centro Canalejas Madrid (CCM) has become a transforming landmark of the city in the 21st century.

Designed and built by OHLA, CCM symbolises a new urban model where environmental, social and economic aspects converge. Reflecting a firm commitment to the revival of architectural heritage, the complex brings to light major constructive landmarks, while applying stringent innovation and sustainability standards that promote a civic model that aligns to the goals of the United Nations 2030 Agenda.



Formal opening of Galería Canalejas in June 2022.

## Centro Canalejas Madrid earns LEED Gold seal for its environmental design

OHLA's work to recover, revive and transform the seven historic buildings that make up the hotel, residential and commercial complex of Centro Canalejas Madrid earned us the international LEED Gold certification. This accolade, awarded by the widely respected US Green Building Council, highlights the environmental design and energy efficiency criteria applied during construction and subsequent occupation and use.

Specifically, the project followed the LEED for New Construction and Major Renovations (LEED-NC) programme, which assesses efficiency at the architectural and technical installations design stages, as well as in the construction, commissioning and use phase.

The certificate also recognises use of alternative energies (geothermal energy), improvement of indoor environmental quality, water usage efficiency, sustainable development of open spaces on the plot, wastewater treatment and selection of materials (local materials to reduce carbon footprint).

During the project design process, we followed the BIM (Building Information Modeling) approach, adopting new collaborative tools in the development and management of the project that have a positive impact in terms of sustainability, to optimise costs and ensure responsible use of materials.



## PREMIOS HORECA

# Food Hall, New Business Model 2022 award

Located on the -1 floor of Galería Canalejas, the Food Hall, with more than 4,000 m<sup>2</sup> of floor space, is home to one of the most unique gastronomic proposals in Spain. With entrances from the iconic Calle de Alcalá, the space houses restaurants of different styles and nationalities, among which stand out the concepts that renowned chefs have designed exclusively.

All this has earned this space the New Business Model award at the Horeca New Business Models Awards 2022. Awarded at the prestigious Hospitality Innovation Planet (HIP) fair, the distinction highlights the innovative business concept and its contribution to enhancing the tourism and hospitality sector in Madrid.



## Outlook

Our significant experience in high value-added property developments in Europe and Latin America places us in a leading position at a global level. The Development division is constantly prospecting the property market and considering new sustainable urban projects in which it could participate as an expert developer with the support of financial partners.



Centro Canalejas Madrid. Spain.