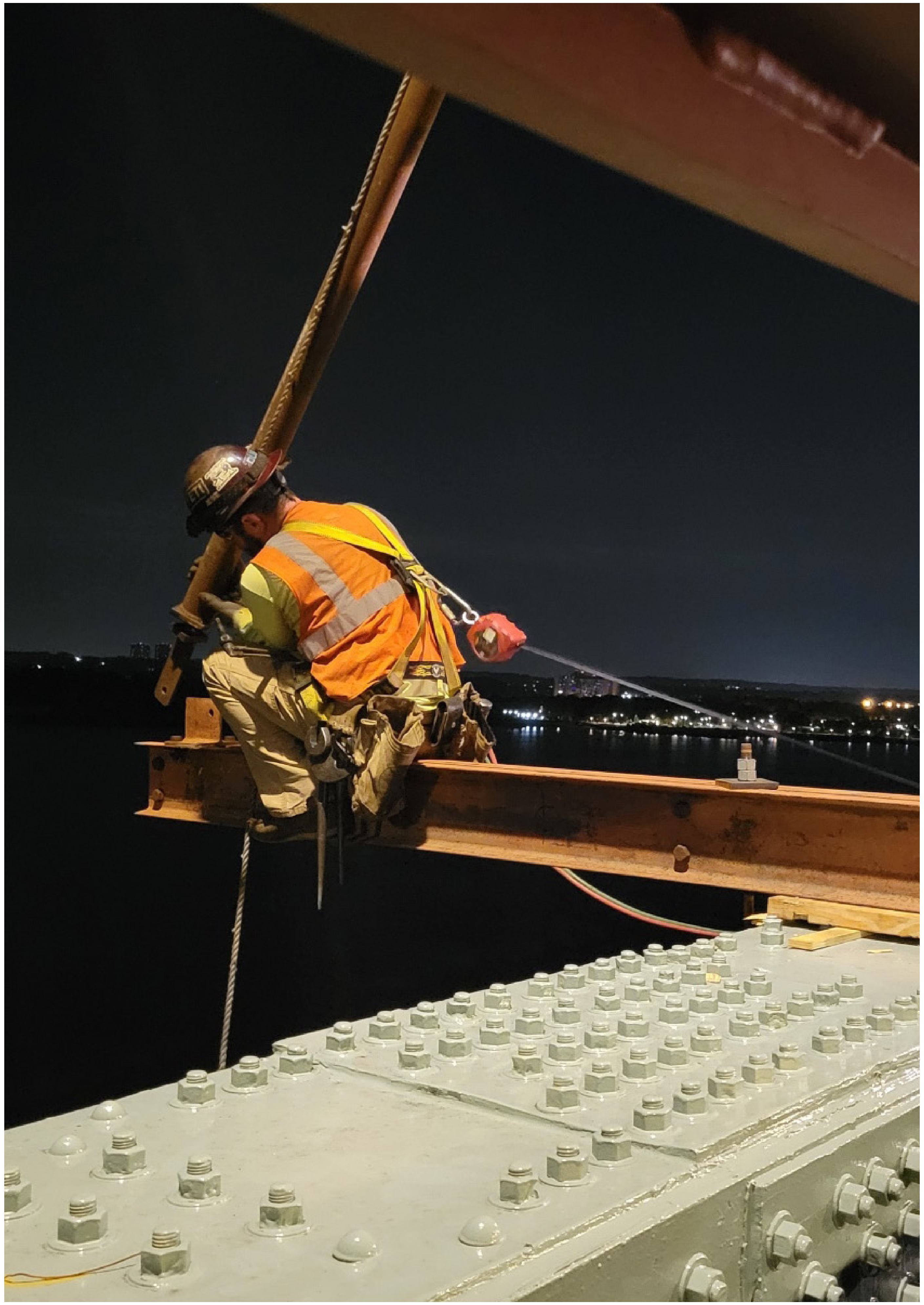
Integrated annual report
Consolidated Annual Accounts
2022

Throgs Neck Bridge, Nueva York. EEUU.



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Consolidated Financial Statements

Mexico-Toluca Intercity Train. Mexico.

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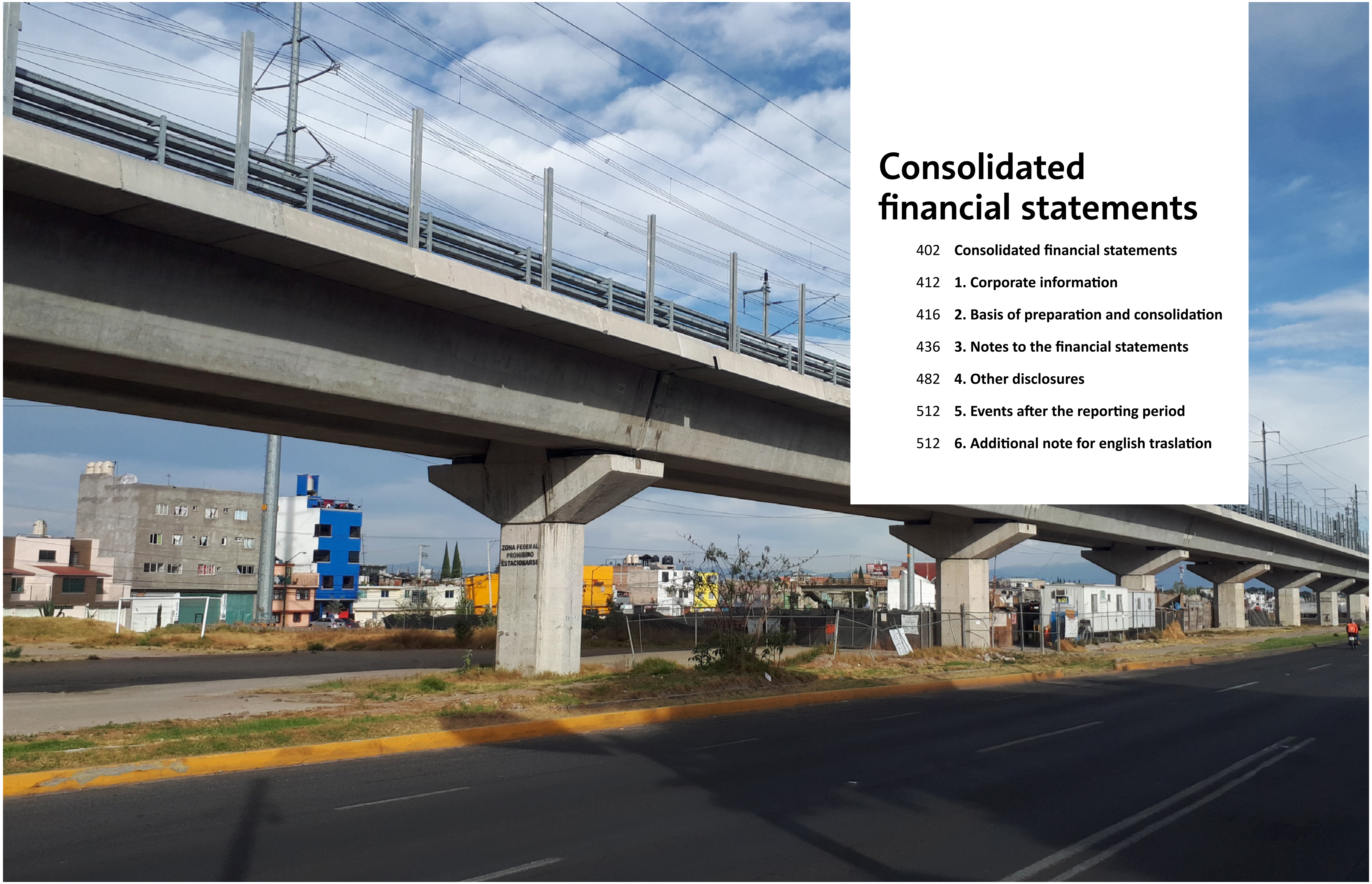

Consolidated financial statements

Mexico-Toluca Intercity Train. Mexico.

Consolidated financial statements

Consolidated statement of financial position as at 31 December 2022 and 2021

ASSETS	NOTE	31/12/22	31/12/21
NON-CURRENT ASSETS			
Intangible assets	3.1		
Intangible assets		505,125	485,288
Accumulated amortisation		(365,631)	(328,298)
		139,494	**156,990**
Concession infrastructure	3.2		
Intangible asset model		563	678
Financial asset model		10,096	-
		10,659	**678**
Property, plant and equipment	3.3		
Land and buildings		150,668	127,292
Machinery		423,840	395,442
Other installations, equipment and furniture		112,728	118,046
Property, plant and equipment under construction and advances		12,741	9,996
Other property, plant and equipment		92,046	75,152
Accumulated depreciation and provisions		(530,058)	(503,029)
		261,965	**222,899**
Investment properties	3.4		
		4,222	**4,322**
Goodwill	3.5		
		36,998	**36,998**
Non-current financial assets	3.6		
Investment securities		62,514	61,340
Other receivables		110,079	142,039
Deposits and guarantees given		16,967	9,569
Provisions		(53,183)	(67,896)
		136,377	**145,052**
Investments accounted for using the equity method	3.7		
		149,960	**167,221**
Deferred tax assets	3.21		
		90,259	**108,789**
TOTAL NON-CURRENT ASSETS		**829,934**	**842,949**

EUR thousand

ASSETS	NOTE	31/12/22	31/12/21
CURRENT ASSETS			
Non-current assets held for sale and discontinued operations	3.8		
		28,814	**32,515**
Inventories			
Embodiment items, fungibles and replacement parts for machinery		39,470	31,904
Auxiliary shop projects and site installations		32,971	36,559
Advances to suppliers and subcontractors		38,779	35,197
Provisions		(4,131)	(3,502)
		107,089	**100,158**
Trade and other receivables	3.9		
Trade receivables		1,265,077	1,026,578
Receivables from associates		144,222	112,219
Employee receivables		1,437	1,160
Receivables from public authorities	3.21	92,157	85,743
Other receivables		59,191	78,001
Provisions		(108,582)	(113,259)
		1,453,502	**1,190,442**
Current financial assets	3.6		
Investment securities		48,397	50,989
Other receivables		15,071	150,532
Deposits and guarantees given		182,270	146,622
Provisions		(13,362)	(13,362)
		232,376	**334,781**
Current income tax assets		**10,064**	**6,050**
Other current assets		**63,224**	**48,025**
Cash and cash equivalents	3.10		
		469,311	**507,455**
Total current assets		**2,364,380**	**2,219,426**
TOTAL ASSETS		**3,194,314**	**3,062,375**

EUR thousand

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of financial position as at 31 December 2022.

EQUITY AND LIABILITIES	NOTE	31/12/22	31/12/21
EQUITY			
Share capital	3.11.	147,781	147,781
Share premium	3.12.	1,328,128	1,328,128
Treasury shares	3.13.	(341)	(504)
Reserves	3.14.	(633,687)	(665,640)
Reserves in consolidated companies	3.14.	(185,878)	(161,575)
Valuation adjustments	3.15.	(764)	(29,859)
Consolidated profit/(loss) for the year attributable to equity holders of the parent		(96,840)	5,945
Total equity attributable to equity holders of the parent		**558,399**	**624,276**
Non-controlling interests	**3.16**		
		(1,144)	**(3,927)**
TOTAL EQUITY		**557,255**	**620,349**

NON-CURRENT LIABILITIES			
Issue of notes and other marketable securities	**3.17**		
Issue of corporate notes		428,400	444,642
		428,400	**444,642**
Bank borrowings	**3.17**		
Mortgage and other loans		3,692	43,355
Loans from concession operators		-	-
		3,692	**43,355**
Other financial liabilities	**3.18**		
		45,414	**24,937**
Deferred tax liabilities	**3.21**		
		67,128	**75,260**
Provisions	**3.19**		
		70,848	**64,024**
Deferred income		**40**	**261**
Other non-current liabilities	**3.20**		
		32,803	**23,364**
TOTAL NON-CURRENT LIABILITIES		**648,325**	**675,843**

EUR thousand

EQUITY AND LIABILITIES	NOTE	31/12/22	31/12/21
CURRENT LIABILITIES			
Liabilities associated with non-current assets held for sale and discontinued operations	**3.8**		
		42	**9**
Issue of notes and other marketable securities	**3.17**		
Issue of corporate notes		8,707	9,458
		8,707	**9,458**
Bank borrowings	**3.17**		
Mortgage and other loans		26,778	26,052
Unmatured accrued interest payable		-	2
Unmatured accrued interest payable of concession operators		-	-
		26,778	**26,054**
Other financial liabilities	**3.18**		
		19,233	**15,943**
Trade and other payables	**3.9**		
Advances received from customers		540,855	424,525
Trade payables		925,020	816,349
Notes payable		60,403	53,760
		1,526,278	**1,294,634**
Provisions	**3.19**		
		178,864	**197,255**
Current income tax liabilities		**9,337**	**8,187**
Other current liabilities	**3.20**		
Loans and borrowings with associates		59,464	82,252
Salaries payable		36,748	34,504
Receivables from public authorities	3.21	74,447	63,906
Other non-trade payables		47,370	32,340
Guarantees and deposits received		1,225	1,429
Other current liabilities		241	212
		219,495	**214.643**
Total current liabilities		**1,988,734**	**1,766,183**
TOTAL EQUITY AND LIABILITIES		**3,194,314**	**3,062,375**

EUR thousand

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of financial position as at 31 December 2022.

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

	NOTA	2022	2021
Revenue	3.22.	3,259,672	2,778,604
Other operating income	3.22.	98,533	125,665
Total revenue		**3,358,205**	**2,904,269**
Cost of sales	3.22.	(1,700,575)	(1,513,204)
Staff costs	3.22.	(897,045)	(814,608)
Other operating expenses	3.22.	(646,487)	(485,217)
Amortisation and depreciation		(82,567)	(77,449)
Change in provisions		14,275	10,753
Operating profit / (loss)		**45,806**	**24,544**
Finance income	3.22.	14,156	116,923
Finance costs	3.22.	(73,752)	(90,525)
Net exchange differences	3.22.	(20,924)	2,594
Net gain/(loss) on remeasurement of financial instruments at fair value	3.22.	188	(10,768)
Share of profit/(loss) of companies accounted for using the equity method	3.22.	(4,546)	(2,703)
Impairment and gains/(losses) on disposal of financial instruments	3.22.	(21,767)	2,319
Profit / (loss) before tax		**(60,839)**	**42,384**
Income tax expense	3.21	(32,658)	(36,243)
Profit / (loss) for the year from continuing operations		**(93,497)**	**6,141**
Consolidated profit / (loss) for the year		**(93,497)**	**6,141**
Profit/(loss) from continuing operations attributable to non-controlling interests	3.16.	(3,343)	(196)
Consolidated profit / (loss) for the year attributable to equity holders of the parent		**(96,840)**	**5,945**
Earnings/(loss) per share:			
Basic	1.5.	(0,16)	0,01
Diluted	1.5.	(0,16)	0,01

EUR thousand

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2022.

Consolidated statement of changes in recognised income and expense for the years ended 31 December 2022 and 2021

	2022	2021
Consolidated profit/(loss) for the year	**(93,497)**	**6,141**
Income and expense recognised directly in equity	**26,047**	**13,333**
Cash flow hedges	-	4,141
Translation differences	26,047	8,153
Companies accounted for using the equity method	-	2,188
Tax effect	-	(1,149)
Amounts transferred to profit or loss	**2,585**	**12,921**
Cash flow hedges	-	7,986
Companies accounted for using the equity method	-	7,154
Tax effect	-	(2,219)
Total comprehensive income	**(64,865)**	**32,395**
Attributable to equity holders of the parent	(67,745)	29,450
Attributable to non-controlling interests	2,880	2,945

EUR thousand

Note: The accompanying notes 1 to 5 and appendices thereto are an integral part of the consolidated statement of recognised income and expense or the year ended 31 December 2022.

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

	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
	SHARE CAPITAL	SHARE PREMIUM AND RESERVES	TREASURY SHARES	CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	VALUATION ADJUSTMENTS	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
Closing balance at 31 December 2020	**171,929**	**496,629**	**(406)**	**(151,221)**	**(53,364)**	**463,567**	**(3,295)**	**460,272**
Total recognised income/(expense)	-	-	-	5,945	23,505	29,450	2,945	32,395
Transactions with equity holders or owners	**(24,148)**	**154,826**	**(98)**	**-**	**-**	**130,580**	**-**	**130,580**
Treasury share transactions	(24,148)	154,700	-	-	-	130,552	-	130,552
Other changes in equity	-	126	(98)	-	-	28	-	28
Transfers between equity items	**-**	**(150,542)**	**-**	**151,221**	**-**	**679**	**(3,577)**	**(2,898)**
Other changes	-	(151,221)	-	151,221	-	-	-	-
Closing balance at 31 December 2021	-	679	-	-	-	679	(3,577)	(2,898)
Total recognised income/(expense)	**147,781**	**500,913**	**(504)**	**5,945**	**(29,859)**	**624,276**	**(3,927)**	**620,349**
Transactions with equity holders or owners	-	-	-	(96,840)	29,095	(67,745)	2,880	(64,865)
Capital increases/(reductions)	**-**	**(342)**	**163**	**-**	**-**	**(179)**	**-**	**(179)**
Treasury share transactions	-	(342)	163	-	-	(179)	-	(179)
Other changes in equity	**-**	**7,992**	**-**	**(5,945)**	**-**	**2,047**	**(97)**	**1,950**
Transfers between equity items	-	5,945	-	(5,945)	-	-	-	-
Other changes	-	2,047	-	-	-	2,047	(97)	1,950
Closing balance at 31 December 2022	**147,781**	**508,563**	**(341)**	**(96,840)**	**(764)**	**558,399**	**(1,144)**	**557,255**

EUR thousand

Note: The accompanying notes 1 to 5 and appendices thereto are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2022.

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

	2022	2021
A) Net cash flows from/(used in) operating activities	**11,468**	**(633)**
Profit/(loss) before tax	**(60,839)**	**42,384**
Adjustments for:	**174,937**	**48,856**
Amortisation and depreciation	82,567	77,449
Other adjustments to profit/(loss)	82,567	77,449
Working capital changes	**(72,596)**	**(98,017)**
Other cash flows from/(used in) operating activities	**(30,034)**	**6,144**
Dividends received	4,739	1,702
Income tax recovered/(paid)	(25,110)	(9,002)
Other amounts received from/(paid for) operating activities	(9,663)	13,444
B) Net cash flows from/(used in) investing activities	**123,266**	**85,623**
Payments for investments	**(81,133)**	**(63,163)**
Group companies, associates and business units	(24,735)	(25,827)
Property, plant and equipment, intangible assets and investment properties	(38,149)	(29,645)
Other financial assets	(18,249)	(7,691)
Proceeds from sale of investments	**193,060**	**132,755**
Group companies, associates and business units	34,167	127,623
Property, plant and equipment, intangible assets and investment properties	7,189	5,132
Other financial assets	151,704	
Cash flows from investing activities	**11,339**	**16,031**
Interest received	11,339	16,031
C) Net cash flows from/(used in) financing activities	**(185,499)**	**(63,871)**
Proceeds from (and payments for) equity instruments	**(179)**	**71,426**
Issue	-	71,398
Acquisition	(17,215)	(8,327)
Disposal	17,036	8,355
Proceeds from (and payments for) financial liability instruments	**(84,045)**	**(36,505)**
Issue	15,489	5,817
Redemption and repayment	(99,534)	(42,322)
Other cash flows from/(used in) financing activities	**(101,275)**	**(98,792)**
Interest paid	(46,080)	(75,922)
Other amounts received from/(paid for) financing activities	(55,195)	(22,870)

	2022	2021
D) Effect of foreign exchange differences on cash and cash equivalents	**12,621**	**15,322**
E) Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**(38,144)**	**36,441**
F) Cash and cash equivalents at 1 january	**507,455**	**471,014**
G) Cash and cash equivalents at 31 december (E+F)	**469,311**	**507,455**
Components of cash and cash equivalents at 31 December		
Cash in hand and at banks	449,712	497.201
Other financial assets	19,599	10.254
TOTAL CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**469,311**	**507,455**

CASH FLOWS FROM DISCONTINUED OPERATIONS

A) Operating activities	-	-
B) Investing activities	-	-
C) Financing activities	-	-
D) Net cash flows from discontinued operations (A+B+C)	-	-

EUR thousand

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of cash flows for the year ended 31 December 2022.

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.

OHL Group operates primarily in Spain, the US, Latin America and elsewhere in Europe.

1.2 Business sectors

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

Construction

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

Industrial

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

Services

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

Other

The Group engages in other minor activities, which at the reporting date are not disclosed separately since they do not represent a significant portion of total revenue. These included Developments, 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 (expenses and adjustments).

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

Profit/(loss) for the year

Consolidated loss attributable to equity holders of the parent for the year ended 31 December 2022 amounted to EUR 96,840 thousand.

	31/12/2022	31/12/2021
Revenue	3,259,672	2,778,604
EBITDA(*)	**114,098**	**91,240**
EBIT	**45,806**	**24,544**
Financial profit/(loss) and other profit/(loss)	(106,645)	17,840
Profit/(loss) before tax	**(60,839)**	**42,384**
Income tax expense	(32,658)	(36,243)
Profit/(loss) for the year from continuing operations	**(93,497)**	**6,141**
Non-controlling interests	(3,343)	(196)
Profit/(loss) for the year attributable to equity holders of the parent	**(96,840)**	**5,945**

EUR thousand

(*) 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 2021:

	EUR THOUSAND
Balance at 31 December 2020	**463,567**
Profit/(loss) for 2021 attributable to equity holders of the parent	5,945
Cash flow hedge reserves	15,125
Translation differences	8,380
Other changes (*)	131,259
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**

(*) Includes capital increases

Changes in cash flows

The following table presents changes in cash flows in 2022 compared to the previous year by operating, investing and financing activities:

CASH FLOWS	YEAR ENDED 31/12/2022	YEAR ENDED 31/12/2021	DIFFERENCE
Operating activities	11,468	(633)	12,101
Investing activities	123,266	85,623	37,644
Financing activities	(185,499)	(63,871)	(121,628)
Effect of foreign exchange differences on cash and cash equivalents	12,621	15,322	(2,701)
Net increase/(decrease) in cash and cash equivalents	**(38,144)**	**36,441**	**(74,585)**
Cash and cash equivalents at 1 January	**507,455**	**471,014**	**36,441**
Cash and cash equivalents at 31 December	**469,311**	**507,455**	**(38,144)**

EUR thousand

1.4 Proposed distribution of loss and dividends

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

2022 loss	**(66,079)**
Distribution: To prior years' losses	(66,079)

EUR thousand

1.5 Earnings per share (EPS)

Basic earnings per share

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

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 31 December 2022 and 2021.

	AS AT 31/12/2022	AS AT 31/12/2021
Weighted average number of shares outstanding	590,471,633	463,607,040
Consolidated profit/(loss) for the year attributable to equity holders of the parent	(96,840)	5,945
Basic earnings/(loss) per share = Diluted earnings/(loss) per share	**(0.16)**	**0.01**

EUR thousand

2. Basis of preparation and consolidation

2.1 Basis of preparation

OHLA Group's consolidated financial statements for the year ended 31 December 2022 were:

- Authorised for issue by the Parent's directors at the meeting of the Board of Directors held on 28 March 2023.
- Prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.
- Prepared applying all mandatory accounting policies and measurement bases with a significant impact on the consolidated financial statements. The significant accounting policies and measurement bases applied in the preparation of the Group's consolidated 2022 financial statements are summarised in Note 2.6.
- Prepared so that they give a true and fair view of the Group's consolidated equity and consolidated financial position as at 31 December 2022, and the results of its operations, the consolidated recognised income and expense, the changes in consolidated equity and the consolidated cash flows in 2022.
- Prepared on the basis of the accounting records kept by the Parent and by the other Group companies.

However, since the accounting policies and measurement bases used in preparing the Group's 2022 consolidated financial statements differ in some cases from those used by certain Group entities (local GAAP), the required uniformity adjustments to the policies and methods used and reclassifications were made on consolidation to make them compliant with International Financial Reporting Standards (IFRSs).

The Group's 2021 consolidated financial statements were approved by the Parent's shareholders at the Annual General Meeting held on 2 June 2022.

The Group's consolidated financial statements and the financial statements of the Parent and Group companies for 2022 have not yet been approved by the shareholders at their respective General Meetings. However, the Parent's Board of Directors considers that they will be approved without any changes.

2.2 International Financial Reporting Standard (IFRSs)

2.2.1 Standards and interpretations approved by the European Union and applied for the first time in the current reporting period

The accounting standards used to prepare the accompanying consolidated financial statements are the same as those used to prepare the consolidated financial statements for the year ended 31 December 2021, 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.

2.2.2 Standards and interpretations issued by the IASB, but not yet effective in the current period

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 consolidated financial statements.

2.3 Functional currency

These consolidated financial statements are presented in euros (EUR), as this is the currency of the primary economic area in which the Group operates. However, a significant part of the Group's business is carried out in geographies with a functional currency that is not the euro. Foreign operations are accounted for in accordance with the policies established in Note 2.6.11.

2.4 Responsibility for the information and use of estimates

The information in these consolidated financial statements is the responsibility of the directors of the Parent.

The preparation of the 2022 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:

- Assessment of possible impairment losses on certain assets (see Notes 2.6.6, 2.6.7, 3.1, 3.2, 3.3, 3.4 and 3.5).
- The useful life of intangible assets and property, plant, and equipment (see Notes 2.6.1 and 2.6.3).
- The recognition of construction contract revenue and contract costs (see Notes 2.6.15, 3.9 and 3.22).
- The amount of certain provisions (see Notes 2.6.14 and 3.19).
- The fair value of assets acquired in business combinations and goodwill (see Note 3.5).
- The fair value of certain unquoted assets.
- The assessment of potential contingencies for employment, tax and legal risks (see Notes 3.20, 3.21 and 4.6.2.2).
- Financial risk management (see Note 4.2.).

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 31 December 2022. 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.

In this respect, the impact of the global environment (e.g. war between Russia and Ukraine, high inflation, materials supply chain disruptions) on the economy and its performance in the coming months should be considered. In light of this situation, the estimates and judgements made by Group management are subject to a higher degree of uncertainty. Nevertheless, no significant impact had been observed as at the date of authorisation for issue of these consolidated financial statements, since the Group does not have any operations in Russia.

As required by IAS 1, the information relating to 2021 is presented for comparative purposes with the information for 2022 and, accordingly, does not constitute the Company's complete 2021 consolidated financial statements.

2.5 Basis of consolidation

Subsidiaries

The Group considers as subsidiaries entities over which the Parent has control; i.e. when the Parent is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In accordance with IFRS 10 Consolidated Financial Statements, the Parent controls an investee if and only if it has all the following:

- power over the investee;
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of its returns.

The financial statements of subsidiaries are fully consolidated with those of the Parent. Any non-controlling interests are recognised under "Non-controlling interests" in the consolidated statement of financial position and the consolidated statement of profit or loss.

The profit or loss on intragroup transactions is eliminated and deferred until it is realised vis-à-vis non-Group third parties, except for profit or loss relating to construction work performed for concession operators which, in accordance with IFRIC 12, is identified as profit or loss on transactions with non-Group companies and, accordingly, recognised by reference to the stage of completion.

Joint operations

A joint operation is a contractual arrangement whereby two or more entities that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The financial statements of the joint operations are proportionately consolidated (see Note 3.7.2).

The assets and liabilities assigned to joint operations are presented in the consolidated statement of financial position classified based on their nature. Similarly, the Group's share of the revenues and expenses of joint operations is recognised in the consolidated statement of profit or loss based on the nature of the related items.

Joint ventures

A joint venture is a joint arrangement whereby two or more entities that have joint control of the arrangement do not have rights to the assets or obligations for the liabilities but have rights to the net assets of the arrangement.

Interests in joint ventures are accounted for in the consolidated financial statements using the equity method.

Associates

Associates are entities over which the Parent does not have control or joint control with other parties, but has significant influence.

Interests in associates are accounted for in the consolidated financial statements using the equity method.

Scope of consolidation

Appendix I lists the most significant companies included in the scope of consolidation as at 31 December 2022.

Appendices II and III list the activities, registered offices and equity, and the net cost of the investments in the most significant companies included in the consolidated Group.

Changes in the scope of consolidation

The main changes in the scope of consolidation in 2022 are described in Appendix IV.

INCLUSIONS	NO. OF COMPANIES
Full consolidation	7
Equity method	4
Total inclusions	**11**

EXCLUSIONS	NO. OF COMPANIES
Full consolidation	1
Total exclusions	**1**

Among inclusions:

- In January 2022, Sociedad Concesionaria Hospitales Red Biobío, S.A. was incorporated in Chile. It is wholly owned by Group companies and was set up to perform a construction and maintenance contract for four hospitals in the BioBio region.
- In the same month, OHL Operaciones, S.A. incorporated OHLA Energy, S.L. Its objects include the promotion, development, construction and operation of industrial and engineering projects, in which it holds 100% interests.
- On 4 March 2022, OHLA-OHMG JV Limited was set up in Ireland to carry out a school design and construction project in Ireland. It is 60%-owned by OHL Ireland Construction and Engineering Limited, S.A. and 40%-owned by OHMG (Holding) Ltd. It will be fully consolidated.
- On 24 March 2022, Concesionaria Ruta Bogotá Norte, S.A.S. was set up in Colombia to execute the Northern Access Phase II project. It is 50%-owned by OHL, S.A. and 50%-owned by Termotécnica Coindustrial SAS. As a joint venture, it is accounted for using the equity method.
- On 3 June 2022, concession operator Parking Niño Jesús-Retiro, S.A. was incorporated. It is 30%-owned by OHL, S.A. and 70%-owned by TIIC 2 Concesiones, S.L. and will be accounted for using the equity method.
- On 6 June 2022, Rebuilding Agente Rehabilitador, S.L. was incorporated in Spain, engaged mainly in sustainable building renovation. It is a 50/50 joint venture between OHL Operaciones, S.A. and Endesa X Servicios, S.L. As a joint venture, it is accounted for using the equity method.
- On 13 July 2022, OHLA Gestión Activos, S.L. was incorporated in Spain. It is wholly owned by OHL Desarrollos, S.A. and its objects include primarily the construction, development and operation of residential real estate projects.
- On 21 September 2022, Denia Senior Living, S.L. was incorporated in Spain. It is wholly owned by OHL Desarrollos, S.A. and was set up to build, develop and operate real estate projects targeting independent senior citizens.
- On 24 November 2022, La Manga Senior Living, S.L. was incorporated in Spain. It is wholly owned by OHL Desarrollos, S.A. and its objects include primarily the construction, development and operation of real estate projects targeting independent senior citizens.

There were no significant exclusions from the Group in 2022.

Business combinations

In February 2021, the Group acquired control of the Pacadar subgroup via the dation in payment of debt of 100% of Pacadar, S.A. shares, attributing to it an enterprise value of EUR 94,328 thousand (EUR 53,769 thousand for the value of the shares and EUR 40,559 thousand for total facilities granted).

In accordance with IFRS 3, on acquisition the Group assessed the fair value of the identifiable assets and liabilities transferred for the purchase price allocation (PPA), which it then used to recognise the following accounting adjustments: a revaluation of property, plant and equipment of EUR 41,362 thousand and recognition of an intangible asset of EUR 13,939 thousand for the fair value of the project pipeline, along with recognition of a deferred tax liability of EUR 13,825 thousand for the tax effect of those two adjustments. The difference between the fair value of the net assets acquired and acquisition cost was recognised as goodwill, for an amount of EUR 30,242 thousand (see Note 3.5).

As at 31 December 2022, the accounting was considered definitive, with the one-year period provided for in the standard for adjusting the price having elapsed.

2.6 Accounting policies

The accounting policies, and measurement bases, used by the Group in preparing the 2022 consolidated financial statements are disclosed below.

2.6.1 Intangible asset model

Intangible assets are recognised initially at the purchase price or cost of production.

They are subsequently carried at purchase price or cost of production less any accumulated amortisation and accumulated impairment losses.

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

Also included is development expenditure, which is capitalised if it meets the requirements of identifiability, if the cost can be measured reliably and it is highly probable that the asset will generate economic benefits. This expenditure is amortised on a straight-line basis over the useful life of the asset.

Expenditure on research is recognised as an expense when it is incurred.

In accordance with IFRS 3, all assets of a business combination, including intangible assets, whether or not the acquiree has recognised them in its statement of financial position, are measured at fair value, provided that they meet certain identifiability and separability criteria. In this regard, this line item includes the amount of the acquirees' backlog and customer portfolio measured at their acquisition-date fair values by reference to the projected contract margins after taxes, projected contract costs and the contractual period. The amount of the backlog is amortised over the remaining contractual period and the amount of the customer portfolio over the estimated average useful life.

At the end of each reporting period the goodwill allocated to the customer portfolio of US companies is tested for impairment using cash flow projections, discounted in 2022 and 2021 at a rate of 9%.

2.6.2 Concession infrastructure

Concession infrastructure includes investments by Group companies that are infrastructure concession operators. These investments are accounted for in accordance with IFRIC 12 *Service Concession Arrangements*.

IFRIC 12 relates to the recognition of arrangements with private sector operators that involve providing infrastructure assets and services to the public sector. According to this interpretation, infrastructure items in concession arrangements must not be recognised as property, plant and equipment of the operator, but the assets must be classified as intangible assets or financial assets.

2.6.2.1 Concession infrastructure classified as an intangible asset

An intangible asset is recognised when the operator provides construction or upgrade services and receives a right to operate the infrastructure for a specified period of time after the construction has been completed. During this period, the operator's future cash flows are not specified, as they are contingent on the extent to which the asset is used and therefore may vary. In these cases, the concession operator assumes the demand risk.

The intangible asset is measured at the fair value of the service provided, which is equal to total payments made for construction, including studies and projects, expropriations, project execution, management and administration expenses, installations and building, and other similar costs, and the share of other indirectly attributable costs to the extent that they related to the construction period.

Payments made to the grantor as fees for acquiring the right to operate the concession are also capitalised.

Borrowing costs unrelated to the infrastructure are recognised in profit and loss, while those incurred during the construction phase and until the entry into service of the concession are capitalised.

The concession infrastructure recognised as an intangible asset is amortised on the basis of the pattern of consumption of the concession assets over a period no greater than the term of the concession.

Upgrades that extend the useful life or the economic capacity of the asset are capitalised as an increase in the carrying amount of the asset in projects and treated subsequently the same as the initial investment. However, if, based on the terms of the arrangement, the costs will not be offset by an increase in revenue, a provision is recognised for an amount equal to the present value of the expected cash outflows, along with an increase in the carrying amount of the asset.

Futures investments that the Group is contractually obliged to make related to dismantling, closing and the environmental restoration of certain plants are treated as initial investments. The Group recognises an asset and an initial provision for an amount equal to the present value of the future investment.

Contractual obligations regarding replacement and major repairs to maintain infrastructure at a specified service capacity must be recognised and measured in accordance with IAS 37. A provision must be recognised systematically over the period during which the obligations accrue and based on the use of the infrastructure. The full amount of the provision must be recognised in the period in which the replacement must be made. This provision is included under "Non-current provisions" under liabilities in the consolidated statement of financial position and discounting is used.

Government grants awarded to finance infrastructure are recognised under other non-current financial liabilities until the conditions attaching to them have been fulfilled. At that time, they are accounted for as a reduction in the cost of the infrastructure.

2.6.2.2 Concession infrastructure classified as a financial asset

This item includes investments made under concession arrangements in which there is an unconditional contractual right to receive cash or another financial asset, either because the grantor guarantees to pay the operator specified or determinable amounts, or the shortfall, if any, between the amounts received from users of the public service and the specified or determinable amounts. Therefore, these are concession arrangements in which the grantor assumes the demand risk.

The amount due from the grantor is recognised as a financial asset - receivable - in the consolidated statement of financial position at the value of the construction, operation and/or maintenance services provided and the interest implicit in this type of arrangement.

The financial asset is recognised initially at the fair value of the infrastructure and subsequently measured at amortised cost, calculated based of the best estimates of the cash flows to be received over the term of the concession. Accrued interest, calculated using the effective interest rate method, on the expected cash inflows and outflows of the concession is recognised as revenue since it is considered that these cash flows relate to the operator's ordinary activities.

The value of the financial asset increases each period, mainly for the construction, upgrade and maintenance services, and the interest on the consideration for the construction services provided, with the increase recognised in sales. Net amounts received from the grantor reduce the value of the financial asset, with the amount recognised in cash.

All actions taken in relation to the concession infrastructure, such as maintenance, replacements and major repairs, and those required to hand back the infrastructure to the grantor give rise to the recognition of revenue from the rendering of services in the consolidated statement of profit or loss and an increase in the value of the financial asset. Costs for the operator to carry out these actions are recognised in profit or loss as incurred.

2.6.3 Property, plant and equipment

Property, plant and equipment are stated at cost (revalued, where appropriate, in accordance with applicable legislation prior to the date of transition to IFRSs, including Royal Decree-Law 7/1996), net of accumulated depreciation and accumulated impairment losses, if any.

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

Expenses for repairs that do not extend the useful life of the assets, as well as maintenance expenses, are recognised in profit or loss in the year incurred.

The Group capitalises interest during the construction phase of its property, plant and equipment as described in Note 2.6.17.

Self-constructed property, plant and equipment are recognised at the accumulated cost, calculated by adding external costs and internal costs determined on the basis of the materials consumed in-house and manufacturing overheads, calculated using similar absorption rates to those used for the measurement of inventories.

Depreciation is calculated, using the straight-line method, on the basis of the acquisition cost of the assets less their residual value. The land on which the buildings and other structures stand are considered to have an indefinite useful life and, therefore, is not depreciated.

The period property, plant and equipment depreciation charge is recognised in the consolidated statement of profit or loss at rates based on the following years of estimated useful life of the various assets.

	YEARS OF USEFUL LIFE
Buildings	25-50
Machinery	6-16
Other installations, equipment and furniture	10
Other property, plant and equipment	3-5

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets of a similar nature.

At the end of each reporting period, the consolidated companies assess whether there is any internal or external indication that the carrying amount of an item of property, plant and equipment exceeds its recoverable amount, i.e., the higher of the net amount which could be obtained if the asset was sold and the present value of the future cash flows. If any such indication exists, the carrying amount of the asset is reduced to its recoverable amount and the depreciation charge in the consolidated statement of profit or loss is adjusted in future periods to allocate the asset's revised carrying amount and new useful life.

Similarly, when there are indications that the value of the asset has recovered, the consolidated companies recognise the reversal of the impairment loss recognised in prior periods and adjust the depreciation charge in future consolidated statements of profit or loss. The reversal is limited to the original cost of the asset.

2.6.4 Investment properties

"Investment properties" in the accompanying consolidated statement of financial position reflects the net values of the land, buildings and other structures held to earn rentals or for capital appreciation.

Land is measured at cost increased by site clearance and preparation costs. Construction projects are measured at the cost of the related progress billings plus contract costs, such as site management, levies, architects' fees, etc. Investment properties are depreciated on a straight-line basis over their useful lives, which are the same as those used for similar items of property, plant and equipment.

Borrowing costs attributable to these investments are capitalised during the construction phase until the properties are ready for sale as an increase to the cost of the investment. Interest income obtained from the short-term investment of cash surpluses is deducted from the cost of the investment.

Revenue and gains or losses are recognised when the assets are sold and the sale to the buyer has been executed in a public deed; i.e. when the inherent rights and obligations are transferred. Rental income is recognised in profit or loss on an accrual basis.

In leases, expenses are recognised on an accrual basis and all maintenance, management and depreciation costs relating to the leased assets are recognised in profit or loss.

At the end of each reporting period, the Group assesses whether the carrying amount of an investment property exceeds its fair value. If so, it reduces the carrying amount of the asset to its fair value and recognises the impairment loss in profit or loss.

2.6.5 Goodwill

The excess of the cost of acquiring an interest in a company over its underlying carrying amount is allocated to certain assets and liabilities on consolidation.

This allocation is performed as follows:

1. Where it is attributable to specific assets and liabilities of the company acquired, by increasing the value of the assets acquired or reducing the value of the liabilities assumed.
2. Where it is attributable to specific intangible assets, by recognising it explicitly in the consolidated statement of financial position.
3. Any remaining amount is recognised as goodwill on the asset side of the consolidated statement of financial position.

Goodwill is tested for impairment at the end of each reporting period. Where there is any indication of impairment, the carrying amount is reduced to recoverable amount and the impairment loss is recognised in profit or loss.

An impairment loss recognised for goodwill may not be reversed in a subsequent period.

2.6.6 Impairment of non-current assets

At the end of each reporting period, the consolidated companies assess whether there is any internal or external indication that the carrying amount of an asset exceeds its recoverable amount, i.e., the higher of the net amount which could be obtained if the asset was sold and the present value of the future cash flows. If any such indication exists, the carrying amount of the asset is reduced to its recoverable amount and the depreciation charge in the consolidated statement of profit or loss is adjusted in future periods to allocate the asset's revised carrying amount and new useful life.

For these purposes, indications of impairment include operating losses or negative cash flows during the period, if they are combined with a history or forecast of losses, a decline in value and depreciation/amortisation recognised in profit or loss that, as a percentage of revenue, are substantially higher than those from previous years, effects of obsolescence, a reduction in demand for the services provided, competition and other economic and legal factors.

In any case, where carrying amount exceeds recoverable amount, calculated as the present value of cash flows, impairment is recognised.

Similarly, when there are indications that the value of the asset has recovered, the consolidated companies recognise the reversal of the impairment loss recognised in prior periods and adjust the depreciation charge in future consolidated statements of profit or loss. The reversal is limited to the original cost of the asset.

The following criteria are applied for each non-current asset:

Concession infrastructure

The present value of the expected future cash flows is estimated using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, both during the use of the asset and from the possible disposal of the asset at the end of its useful life.

The key variables considered are the estimate of revenue to be received over the concession term and the estimate of the operating and maintenance expenses.

Investment properties

At the end of each reporting period, an assessment is made to determine whether the carrying amount of an investment property exceeds its fair value. If so, the carrying amount of the asset is reduced to its fair value and an impairment loss is recognised in profit or loss.

In determining fair value, external valuers are engaged to perform appraisals and recent market transactions are taken into account.

An impairment loss is recognised if carrying amount exceeds recoverable amount. When an impairment loss subsequently reverses, income is recorded up to the amount of the previously recognised impairment loss.

Goodwill

Assumptions underlying the cash flow projections used to calculate goodwill are as follows:

- The maintenance over time of a short-term backlog measured in months of sales.
- Cash flow projections covering a three-year period.
- A 2% annual growth rate beyond that period.

In any case, where carrying amount exceeds recoverable amount, calculated as the present value of cash flows, impairment is recognised. The assessment did not uncover any indications of impairment.

2.6.7 Financial assets

Financial assets are assets representing collection rights for the Group arising from investments or loans. These rights are classified as current or non-current depending on whether they are due to be settled within less than or more than 12 months, respectively.

In 2018, the Group adopted IFRS 9 *Financial Instruments*, which sets out the requirements for the recognition and measurement of financial assets and financial liabilities.

The main change affects the classification and measurement of financial assets, whereby the measurement method is determined on the basis of both the contractual cash flow characteristics of the financial asset and the entity's business model for managing the financial asset. The three categories are: amortised cost; fair value through other comprehensive income (equity); and fair value through profit or loss. As explained above, the Group's financial assets are mainly assets held to maturity that give rise to cash flows that are solely payments of principal and interest. Therefore, based on these characteristics, the financial assets are measured at amortised cost.

Derecognition of financial assets

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

Impairment of financial assets

The Group adjusts the carrying amount of financial assets with a charge to profit or loss when there is objective evidence that the asset is impaired.

To determine impairment losses on financial assets, the Group assesses the potential loss of individual as well as groups of assets with similar risk exposure.

Also, pursuant to IFRS 9 the Group recognises a loss allowance for expected credit losses, which it reviews at the end of each reporting period. To calculate this loss allowance, the Group uses a methodology whereby it applies certain percentages reflecting the expected credit losses based on the credit profile of the counterparty to the balances of all the financial assets. These percentages reflect the probability of default occurring on payment obligations and the percentage of the loss that is ultimately uncollectible when the default occurs. If a significant increase in credit risk since initial recognition is identified, the expected loss is calculated taking into account the possibility of default over the life of the asset (i.e. lifetime expected credit losses).

The Group applies the simplified approach for trade and other receivables, including contract assets. To calculate expected credit losses, it obtains an average customer rating by activity and geographical region. Taking that rating, the Group obtains the percentages to apply to the balances based on whether the customer is public or private and on its line of business (only in the case of private customers). In other cases, it performs a specific analysis of the counterparty's rating, using valuations performed by independent experts where necessary.

If the customer enters into insolvency, claim or non-payment proceedings, a default is deemed to have occurred and an allowance is recognised to reduce the related balance receivable to zero. For this purpose, the Group has established periods by customer type for determining default and, consequently, recognising the related allowance.

2.6.8 Transfers of financial assets and derecognition of financial assets and liabilities

The accounting treatment of transfers of financial assets depends on how the risks and rewards associated with the transferred assets are contractually transferred to third parties.

A financial asset is derecognised (removed from the consolidated statement of financial position) only when it is realised or substantially all the risks and rewards of the asset and control of the asset have been transferred.

A financial liability is only removed from the consolidated statement of financial position when the obligation under the liability is extinguished.

2.6.9 Non-current assets and liabilities classified as held for sale

According to IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations,* non-current assets and liabilities are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and liabilities, and its sale must be highly probable. A sale is considered to be highly probable when there is a commitment to a plan to sell the asset and an active programme to locate a buyer and complete the plan has been initiated. The sale must also be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified held for sale are not depreciated and are measured at the lower of their carrying amount and fair value less costs to sell.

2.6.10 Inventories

This consolidated statement of financial position line item includes the assets that consolidated entities:

- Hold for sale in the ordinary course of business.
- Have in the process of production, construction or development for such sale.
- Expect to consume in the production process or in the rendering of services.

All inventories are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

Finished goods and work in progress are measured at production cost, which includes the cost of materials, direct labour and production costs and the interest incurred during the construction period.

2.6.11 Foreign currencies

The items included in the consolidated financial statements of each of the Group companies are presented in their respective functional currencies.

The consolidated financial statements are presented in euros, which is the Parent's functional and presentation currency.

In Group companies' separate financial statements, foreign currency balances and transactions are translated as follows:

- Transactions in other currencies carried out during the period are translated at the currency spot rates at the dates of the transactions.
- Monetary assets and liabilities denominated in foreign currencies (cash and items that do not lose value when converted to cash) are translated at the functional currency spot rates of exchange at the reporting dates.
- Non-monetary assets and liabilities denominated in foreign currencies are translated at their historical exchange rates.

Gains or losses arising on translation are recognised in profit or loss.

On consolidation, the balances of the financial statements of consolidated entities whose functional currency is not the euro are translated to euros as follows:

- The assets and liabilities at the rate of exchange prevailing at the reporting date.
- Income and expenses at the average exchange rates for the period.
- Equity at historical exchange rates.

The exchange differences arising on consolidation of companies with a functional currency other than the euro are classified in the consolidated statement of financial position as exchange differences under "Equity- Valuation adjustments".

The Group does not hold any investments in a currency that is identified as a currency of a hyperinflationary economy.

2.6.12 Bank borrowings, and issues of bonds and other marketable securities

Bank borrowings and issues of bonds and other marketable securities are recognised at the amount received, net of direct issue costs, plus accrued interest not yet paid at the end of the reporting period. Borrowing costs are recognised on an accrual basis in the consolidated statement of profit or loss by modifying the nominal rate, taking into account issue discounts, fees and expenses. This method is equivalent to using the effective interest rate, which is the rate that exactly matches the net value of receipts to the present value of future cash payments.

Loans and borrowings due to be settled within 12 months of the reporting date are classified as current and those due to be settled within more than 12 months are classified as non-current.

2.6.13 Derivative financial instruments and hedges

The Group enters into a variety of derivative financial instruments to mitigate the economic effects of changes in foreign exchange rates and interest rates to which the Group is exposed, including forward currency contracts, interest rate swaps and interest rate options.

Forward currency contracts and interest rate swaps are future exchange commitments whereby the Group and banks agree to exchange interest payments or currencies in the future. With interest rate derivatives, the commitment is to pay a fixed interest rate in exchange for receiving a floating interest rate. With foreign currency derivatives, the commitment is to pay or receive a specified amount of euros in exchange for a specified amount of another currency. With equity swaps tied to the Group's share price, the commitment is to pay or receive the result of the change in the share price with respect to a reference price and to pay a floating interest rate. With interest rate options entered into, the Group acquires the right to receive interest if the interest rate exceeds the reference level specified initially with the banks in exchange for paying a specified amount to these banks at the inception of the transaction.

The Group does not enter into a derivative with the intention of settling it early or trading with it. The Group does not enter into derivatives for speculative purposes, but rather to mitigate the potential economic effects on its foreign trade and financing activities caused by changes in exchange rates and interest rates.

Derivatives are recognised at fair value under "Other financial assets" or "Other financial liabilities" in the consolidated statement of financial position.

Fair value is the net amount that the Group would have to pay or receive if the derivative were settled at the measurement date. It is equal to the difference between the present value of the future receipts or payments agreed between the Group and banks under the terms of the derivative entered into.

IFRS 13 *Fair Value Measurement* has changed the definition of fair value and confirms that the entity's own credit risk must be included in fair value. Since 1 January 2013, this adjustment to the measurement of derivatives is recognised in profit or loss, unless the derivatives qualify as effective hedges, in which case they are recognised in reserves.

The recognition of the fair value of derivatives as other financial assets or financial liabilities gives rise to a change in equity if the derivative qualifies for hedge accounting. The change in equity is recognised directly in **"Valuation adjustments"** in the consolidated statement of financial position and indirectly in **"Net gain/(loss) on remeasurement of financial instruments at fair value"** or **"Share of profit/(loss) of companies accounted for using the equity method"**, as appropriate, in the consolidated statement of profit or loss.

The fair value of a derivative changes during its term. Changes in fair value arise: as a result of the passage of time; as a result of changes in interest rate curves; as a result of changes in exchange rates, in the case of foreign currency derivatives; as a result of changes in the share price, in the case of equity-based derivatives; and as a result of changes in the volatility of interest rates, in the case of interest rate options.

Derivatives may or may not qualify for hedge accounting.

For a derivative to qualify as a hedge, it must meet the following requirements:

- The underlying in relation to which the derivative is entered into to mitigate the economic effects that might arise from the underlying in response to changes in exchange rates and interest rates must be identified initially.
- When the derivative is entered into, the reason for entering into it must be appropriately documented and the hedged risk must be identified.
- It must be demonstrated that the hedge is effective from inception to its settlement, i.e. that it meets the objective initially defined. In order to assess this, the effectiveness of the hedge is tested.

When the derivative does not qualify for hedge accounting or the Group voluntarily decides not to apply hedge accounting, changes in fair value are recognised in the consolidated statement of profit or loss.

For derivatives that qualify for hedge accounting, the relevant standards stipulate whether to recognise changes in fair value directly in equity or indirectly through profit or loss in accordance with the type of risk hedged.

Cash flow hedges

A derivative entered into to hedge against exposure to variability in the expected future cash flows in a foreign currency transaction due to changes in exchange rates can be considered to be a cash flow hedge. The same is true of a derivative entered into to hedge against exposure to variability in the expected future cash flows in floating-rate borrowings due to changes in interest rates.

The effective portion of the gain or loss on a hedging instrument whose purpose is to act as a cash flow hedge of an underlying is recognised under **"Equity - Valuation adjustments"**, while any ineffective portion is recognised in the consolidated statement of profit or loss. Changes in the time value of the options are recognised directly in the consolidated statement of profit or loss.

The cumulative balance of "Equity - Valuation adjustments" is transferred to profit or loss when, and to the extent that, the losses or gains on the hedged risk of the underlying are also recognised in profit or loss.

Hedges of a net investment in a foreign operation

When a derivative or other hedging instrument is used to hedge against changes in exchange rates that affect the carrying amount of net investments in foreign operations, it can be considered to be a "hedge of a net investment in a foreign operation".

The gains or losses on this type of derivative or hedging instrument are recognised in the consolidated statement of profit or loss in the same way as for cash flow hedges. The only difference is that the accumulated amounts under **"Equity - Valuation adjustments"** are not reclassified to profit or loss until the investment is sold.

Fair value hedges

Fair value hedges arise when a derivative is entered into to convert a fixed-rate borrowing to a floating-rate borrowing for the purpose of linking a portion of the financing to changes in interest rates and, therefore, market performance.

Fair value hedges also arise when a derivative is entered into to hedge variability in the future equivalent euro value of firm commitments to receive or pay amounts in foreign currency due to changes in exchange rates.

When the purpose of the hedging derivative is to act as a fair value hedge, any gains or losses on the derivative and the underlying are recognised in profit or loss.

2.6.14 Provisions

The Group's consolidated financial statements include all the material provisions with respect to which it is considered that it is probable that the obligation will have to be settled.

Contingent liabilities are not recognised in the consolidated financial statements, but are disclosed, as required by IAS 37 (see Note 4.6.2.2).

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

The most significant provisions are:

Provisions for taxes

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

Provisions for litigation and third-party liability

These provisions are recognised to cover potential adverse economic outcomes from legal proceedings and claims against the Group arising in the ordinary course of business (see Note 4.6.2.).

Provisions for the completion of construction projects

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

Provisions for management and other fees

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

Other trade provisions

"Other trade provisions", which corresponds primarily to the Group's construction companies, includes deferrals of expenses and other construction costs. These amounts considered individually are of scant significance and correspond to numerous contracts.

Provisions for major maintenance work, removal or refurbishment of non-current assets

In accordance with IFRIC 12, provisions are recognised for the estimated expenditure required to carry out maintenance work over a period of more than one year (mainly at concession operators) with a charge to the consolidated statement of profit or loss for each of the periods remaining until completion of the work.

Provisions for future losses

These provisions are recognised immediately when it is evident that total contract costs will exceed total contract revenues.

2.6.15 Revenue recognition

To recognise revenue consistently across the various business areas, the Group has a general revenue recognition policy that is in line with IFRS 15 Revenue from Contracts with Customers. This policy contains the following principles:

i) Core principle

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

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

For maintenance or cleaning services of the Services Division, the revenue recognition method used by the Group is based on the time elapsed output method. Under this method, revenue is recognised on a straight-line basis over the term of the contract, while costs are recognised on an accrual basis.

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

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

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

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

iii) Statement of financial position balances related to revenue recognition

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

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

Costs to obtain and fulfil contracts

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

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

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

iv) Provisions relating to contracts with customers

The main provisions relating to contracts with customers are provisions for the completion of construction projects and provisions for budgeted losses.

Provisions for the completion of construction projects: these cover the costs expected to be incurred on completion of a contract. These provisions relate to a present obligation stipulated in the contract the performance of which is probably going to result in an outflow of resources from the company and the amount of which can be estimated reliably. Provisions are recognised on the basis of the best possible estimates of the total expenditure required to settle the obligations. They can be determined as a percentage of the total expected contract revenue if historical information on similar contracts is available.

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

v) Financing component

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

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

2.6.16 Leases and right of use

In accordance with IFRS 16, which became effective on 1 January 2019, leases of property, plant and equipment with a lease term of over one year and a significant value are recognised as right-of-use assets, along with the related lease liability on the date on which the leased asset is available for use by the Group.

Right-of-use assets and the related lease liability represent the right to use the underlying asset and the obligation to make lease payments, respectively.

Right-of-use assets are measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives; and
- any initial direct costs.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life or the lease term.

The lease liability associated with the right-of-use asset includes the net present value of the lease payments.

Lease payments are discounted using the lessee's incremental borrowing rate, which is the rate of interest that the individual lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group is exposed to potential future increases in the lease payments that depend on an index or a rate, which are not included in the lease liability until they take effect. The lease liability is then remeasured and the amount is recognised as an adjustment to the right-of-use asset.

The lease payments are apportioned between principal and interest expense. Interest expense is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period.

The lease term is determined as the non-cancellable period. If the Group has a unilateral option to extend or terminate the lease and it is reasonably certain that it will exercise this option, it will consider the periods covered by the extension or early termination.

The lease term is reassessed if an option is actually exercised (or not), or the Group becomes required to exercise it (or not to). Reasonable certainty is reassessed only upon the occurrence of a significant event or a significant change in circumstances that affects this assessment and is within the control of the lessee.

2.6.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for their intended use or sale are added directly to the cost of those assets until they are ready for their intended use or sale.

Pursuant to IAS 23, investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the year in which they are incurred.

2.6.18 Income tax expense

The Group companies' income tax expense is calculated on the basis of accounting profit or loss before tax, increased or decreased, as appropriate, by the permanent differences from taxable profit (i.e. the tax base), net of tax relief and tax credits, excluding tax withholdings and prepayments made during the year.

Deferred tax assets and liabilities are taxes expected to be recoverable or payable on the differences between the carrying amounts of assets or liabilities in the consolidated financial statements and their tax bases. They are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

At 31 December 2022, most of the Spanish Group companies were taxed under the consolidated tax regime. Accordingly, the income tax expense recognised in the consolidated statement of profit or loss related to the sum of the tax expense of the consolidated tax group companies and the tax expense of companies not forming part of the consolidated tax group, which are mainly the foreign operations.

2.6.19 Consolidated statement of cash flows

Cash flows are inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

The consolidated statement of cash flows is prepared using the indirect method, i.e., on the basis of the changes in the consolidated statement of profit or loss and consolidated statement of financial position. Cash flows are presented with comparative data for two consecutive periods.

This statement reflects changes in consolidated cash flows in the year, classifying them as:

- **Cash flows from operating activities**: those arising from the principal revenue-producing activities of the companies comprising from the Group and other activities that are not investing or financing activities. Interest received and paid, gains or losses on the disposal of non-current assets, adjustments to profits or losses generated by companies accounted for using the equity method and, in general, any results that do not give rise cash flows are transferred out of "Cash flows from operating activities" through "Other adjustments to profit/(loss) before tax".

  Dividends received may be classified as operating cash flows or investing cash flows. The Group elects to classify them as operating cash flows.

- **Cash flows from investing activities**: those arising from the acquisition and disposal of long-term assets.

  Interest received may be classified as operating cash flows or investing cash flows. The Group elects to classify them as investing cash flows.

- **Cash flows from financing activities**: those arising from changes in borrowings, payment of the dividend, interest paid, changes in non-controlling interests and interest payments associated with leases of property, plant and equipment with a term of more than one year and of a significant value.

  Interest paid may be classified as operating cash flows or financing cash flows. The Group elects to classify them as financing cash flows.

2.6.20 Trade and other payables

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

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

As at 31 December 2022, the balance of "reverse factoring" in **"Trade and other payables"** amounted to EUR 2,721 thousand and related primarily to temporary business associations or joint ventures (UTEs) (2021: EUR 3,569 thousand).

2.6.21 Termination and post-employment benefits

Termination benefits that must be paid to employees pursuant to the legislation applicable to each Group company are recognised in the consolidated statement of profit or loss for the year in which they are paid.

If the Group were to draw up a collective redundancy procedure, provisions for the related costs would be recognised in the consolidated statement of profit or loss when the detailed formal plan for the restructuring were established and communicated to the parties concerned.

The Group does not have any post-employment benefit obligations in the form of pension plans or other benefits.

3. Notes to the financial statements

3.1 Intangible assets

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

COST	EUR THOUSAND
Balance at 1 January 2021	**439,849**
Additions and disposals due to changes in the scope of consolidation	22,299
Additions	1,837
Disposals	(1,755)
Exchange differences	23,058
Balance at 31 December 2021	**485,288**
Additions	1,687
Disposals	(270)
Transfers and other	(18)
Exchange differences	**18,438**
Balance at 31 December 2022	**505,125**
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES	**COSTE**
Balance at 1 January 2021	**283,607**
Additions and disposals due to changes in the scope of consolidation	7,979
Additions	25,323
Disposals	(1,474)
Exchange differences	12,863
Balance at 31 December 2021	**328,298**
Additions	26,419
Disposals	(212)
Transfers and other	(3)
Exchange differences	11,129
Balance at 31 December 2022	**365,631**
Net balance at 31 December 2021	**156,990**
Net balance at 31 December 2022	**139,494**

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 net amount at 31 December 2022 of EUR 134,388 miles (2021: EUR 150,228 thousand).

In 2021, changes in the scope of consolidation were recognised for the acquisition of control of the Pacadar subgroup, which led to the recognition of an intangible asset for a net amount of EUR 10,915 thousand.

At 31 December 2022, intangible assets with a gross amount of EUR 72,609 thousand had been fully amortised and were still in use (2021: EUR 64,388 thousand).

At the end of each reporting period or whenever there are indicators of impairment, the Group tests its intangible assets to determine whether the recoverable amounts of the values allocated to the customer portfolio and backlog have fallen below their carrying amount.

In determining recoverable amount, the Group prepares projections based on past experience and the best estimates available, which are consistent with the information obtained from external sources. The projections used by the Group in its impairment tests were prepared based on assumptions regarding trends in revenue and margins that reflected the best estimate of cash flows to be generated by the backlog of projects obtained and to be obtained of the cash-generating unit being tested.

The key assumptions used in preparing these projections in the assessment of the US companies consisted of:

i. Revenue of approximately EUR 1,300 million, with growth in the 2024-2026 period of 6-8%. This is based on estimates of sufficient annual order intake to cover the backlog and achieve that level of revenue.

ii. An EBITDA margin of 5.5-6%.

iii. A discount rate applied to estimated cash flows of 9% and growth in perpetuity or long-term growth rate of 2%.

Based on these assumptions, backed by different sensitivity analyses performed, there were no impairment losses for the Group.

The key assumptions used in the analysis of the Pacadar subgroup are disclosed in Note 3.5.

3.2 Concession infrastructure

Concession arrangements are arrangements between a concession grantor, which is generally a public sector entity, and Group companies to provide public services by operating certain assets required to provide the service.

The concession right generally entails a monopoly on the provision of the service granted for a specified period of time, after which, typically, the operator must hand over the concession assets required to provide the service to the grantor.

These projects are generally financed with long-term borrowings without recourse to shareholders, secured mainly by the cash flows generated by the operators and their assets, accounts and contractual rights. Since cash flows constitute the main security for repayment of the borrowings, use of the funds by shareholders is restricted until certain conditions have been met, which is assessed each year:

	INTANGIBLE ASSET MODEL	FINANCIAL ASSET MODEL	TOTAL
COST			
Balance at 1 January 2021	**17,821**	**61,417**	**79,238**
Additions and disposals due to changes in the scope of consolidation	(14,893)	(61,417)	(76,310)
Additions	12	-	12
Balance at 31 December 2021	**2,940**	**-**	**2,940**
Additions	1	10,096	10,097
Balance at 31 December 2022	**2,941**	**10,096**	**13,037**
ACCUMULATED AMORTISATION			
Balance at 1 January 2021	**4,109**	**-**	**4,109**
Additions and disposals due to changes in the scope of consolidation	(1,951)	-	(1,951)
Additions	104	-	104
Balance at 31 December 2021	**2,262**	**-**	**2,262**
Additions	116	-	116
Balance at 31 December 2022	**2,378**	**-**	**2,378**
Net balance at 31 December 2021	**678**	**-**	**678**
Net balance at 31 December 2022	**563**	**10,096**	**10,659**

EUR thousand

At year-end 2021, significant changes in the scope of consolidation were recorded following the sale of Sociedad Concesionaria Aguas de Navarra.

The following table sets out the Group's investment commitments and the remaining term of its concessions as at 31 December 2022:

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
Infrastructure projects accounted for using the equity method					
Concesionaria Ruta Bogotá Norte S.A.S.	Motorways	Colombia	50.00	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 635,108 thousand within the next five years.

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.

At 31 December 2022 and 2021, "Concession infrastructure" did not include borrowing costs capitalised during the construction period.

The breakdown by company of the carrying amount of "Concession infrastructure" as at 31 December 2022 and 2021 is as follows:

	31/12/2022	31/12/2021
Intangible asset model		
Marina Urola, S.A.	529	643
Other	34	35
Total intangible asset model	**563**	**678**
Financial asset model		
Sociedad Concesionaria Hospitales Red Biobio, S.A.	10,096	-
Total financial asset model	**10,096**	**-**
Total	**10,659**	**678**

EUR thousand

3.3 Property, plant and equipment

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

	LAND AND BUILDINGS	MACHINERY	OTHER INSTALLATIONS, EQUIPMENT AND FURNITURE	PROPERTY, PLANT AND EQUIPMENT UNDER CONSTRUCTION AND ADVANCES	OTHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
COST						
Balance at 1 January 2021	**70,772**	**319,706**	**76,343**	**2,539**	**65,973**	**535,333**
Additions and disposals due to changes in the scope of consolidation	51,275	62,748	37,876	2,721	652	155,272
Additions	8,846	17,361	2,050	20,160	12,346	60,763
Disposals	(5,960)	(21,258)	(3,549)	(10,124)	(5,236)	(46,127)
Transfers and other	-	3,285	2,226	(5,511)	-	-
Exchange differences	2,359	13,600	3,100	211	1,417	20,687
Balance at 31 December 2021	**127,292**	**395,442**	**118,046**	**9,996**	**75,152**	**725,928**
Additions	23,641	40,863	4,598	15,833	22,055	106,990
Disposals	(2,151)	(26,472)	(13,394)	(12,179)	(8,672)	(62,868)
Transfers and other	-	974	185	(1,213)	124	70
Exchange differences	1,886	13,033	3,293	304	3,387	21,903
Balance at 31 December 2022	**150,668**	**423,840**	**112,728**	**12,741**	**92,046**	**792,023**
ACCUMULATED DEPRECIATION						
Balance at 1 January 2021	**34,414**	**245,813**	**68,011**	**5**	**42,393**	**390,636**
Additions and disposals due to changes in the scope of consolidation	13,389	30,676	30,845	-	-	74,910
Additions	9,220	30,563	4,335	-	7,641	51,758
Disposals	(2,283)	(17,247)	(3,950)	-	(4,625)	(28,105)
Transfers and other	-	(1,042)	1,036	(5)	6	(5)
Exchange differences	1,221	9,388	2,939	-	286	13,835
Balance at 31 December 2021	**55,961**	**298,151**	**103,216**	**-**	**45,701**	**503,029**
Additions	9,715	28,765	4,243	-	12,749	55,471
Disposals	(2,150)	(20,750)	(13,241)	-	(8,447)	(44,588)
Transfers and other	-	18	55	-	99	172
Exchange differences	1,010	9,993	2,940	-	2,030	15,974
Balance at 31 December 2022	**64,536**	**316,177**	**97,213**	**-**	**52,132**	**530,058**
Net balance at 31 December 2021	**71,331**	**97,291**	**14,830**	**9,996**	**29,451**	**222,899**
Net balance at 31 December 2022	**86,132**	**107,663**	**15,515**	**12,741**	**39,914**	**261,965**

EUR thousand

In 2021, significant additions were recorded due to the inclusion in the scope of consolidation of the Pacadar subgroup. At the acquisition date, this resulted in additions of land and buildings, machinery, technical installations and other property, plant and equipment for a net amount of EUR 80,346 thousand.

At 31 December 2022, items of property, plant and equipment with a carrying amount of EUR 365 thousand (2021: EUR 371 thousand) had been mortgaged as security for loans against which EUR 33 thousand had been drawn down (2021: EUR 60 thousand) (see Note 3.17.2).

At 31 December 2022 and 2021, there were no material amounts relating to property, plant and equipment that were temporarily idle or retired from active use.

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

Property, plant and equipment with a gross amount of EUR 247,717 thousand had been fully depreciated and were still in use at 31 December 2022 (2021: EUR 240,540 thousand).

At 31 December 2022 and 2021, no amount had been recognised for borrowing costs capitalised during the construction period under “Property, plant and equipment”.

Impairment of property, plant and equipment

The Group tests its property, plant and equipment to identify potential indications of impairment. Based on the regular reviews performed, there were no such indications, so no impairment losses were recognised at year-end 2022 and 2021. Consideration in the test include technical matters, EBITDA and the positive trend in EBITDA, which has become stronger since 2019. Most of the Group’s geographical segments made positive contributions to EBITDA.

Leases

Detail of changes in the year in right-of-use assets and balances recognised in the consolidated statement of financial position as at 31 December 2022 and 2021:

	LAND AND BUILDINGS	MACHINERY	OTHER INSTALLATIONS, EQUIPMENT AND FURNITURE	OTHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
Balance at 31 December 2020	**15,655**	**12,443**	**19**	**8,520**	**36,637**
Additions and disposals due to changes in the scope of consolidation	2,979	-	-	-	2,979
Additions	5,274	19,178	313	9,885	34,650
Period depreciation charge	(7,090)	(10,431)	(54)	(2,554)	(20,129)
Disposals and other	(2,644)	(8,449)	(273)	(3,621)	(14,987)
Balance at 31 December 2021	**14,174**	**12,741**	**5**	**12,228**	**39,150**
Additions	26,197	9,043	1,466	10,124	46,830
Period depreciation charge	(7,870)	(7,798)	(321)	(3,603)	(19,592)
Disposals and other	(12)	566	(47)	(489)	18
Balance at 31 December 2022	**32,489**	**14,552**	**1,103**	**18,261**	**66,406**

EUR thousand

The Group applies the lease recognition exemption to leases of low-value assets and short-term leases (i.e., those leases that have a lease term of 12 months or less).

The effect on the consolidated statement of profit or loss in 2022 related to leases was the recognition of an asset depreciation charge of EUR 19,592 thousand (2021: EUR 20,129 thousand) and of interest expenses on the associated liabilities amounting to EUR 3,556 thousand (2021: EUR 2,096 thousand).

3.4 Investment properties

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

Balance at 31 December 2020	**4,295**
Disposals	(57)
Exchange differences	88
Transfers	(4)
Balance at 31 December 2021	**4,322**
Disposals	(90)
Depreciation	(72)
Exchange differences	65
Transfers	(3)
Balance at 31 December 2022	**4,222**

EUR thousand

At 31 December 2022, certain investment properties with a carrying amount of EUR 159 thousand (2021: EUR 162 thousand) had been mortgaged as security for loans against which EUR 33 thousand had been drawn down (2021: EUR 48 thousand) (see Note 3.17.2).

3.5 Goodwill

The breakdown of “Goodwill” in the consolidated statement of financial position as at 31 December 2022 and 2021, by company giving rise to it, is as follows:

COMPANIES GIVING RISE TO GOODWILL	31/12/2022	31/12/2021
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	358
Pacadar, S.A.U. and subsidiaries	30,242	30,242
OHL Servicios-Ingesan, S.A.U.	399	399
Total	**36,998**	**36,998**

EUR thousand

On 24 February 2021, the Group obtained control of 100% of the Pacadar subgroup following execution of the dation in payment and debt recognition agreement entered into between the Parent, Grupo Villar Mir, S.A.U., and Inmobiliaria Espacio S.A. During the year, it carried out the purchase price allocation for certain assets and liabilities identified in the acquirees, resulting in a difference between the fair value of the net assets acquired and acquisition cost of EUR 30,242 thousand.

At year-end 2022, these assets were tested for impairment. Fair value was calculated using the discounted cash flow model and compared with carrying amount.

The model was prepared based on the best estimates available, considering the current situation of the Company’s market. The key assumptions were:

i. Revenue of approximately EUR 120 million, with compound growth in the 2024-2026 period of 3.7-5.7%. To achieve this revenue, the forecast is for annual order intake of around EUR 120 million, which would provide sufficient cover to the backlog.

ii. An EBITDA margin of 11.5%.

iii. A discount rate of 8.5% and a growth in perpetuity rate of 1.9%.

Based on these assumptions, backed by different sensitivity analyses performed, there were no impairment losses for the Group.

3.6 Financial assets

Investment securities

Investment securities at 31 December 2022 and 2021:

	31/12/2022		31/12/2021	
	Non-current	Current	Non-current	Current
Held-to-maturity securities	181	48,394	303	50,986
Securities at fair value through profit or loss	2,161	-	865	-
Available-for-sale securities	60,172	3	60,172	3
Subtotal	**62,514**	**48,397**	**61,340**	**50,989**
Provisions	**(16,172)**	**-**	**(15,921)**	**-**
Total	**46,342**	**48,397**	**45,419**	**50,989**

EUR thousand

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. Court proceedings are under way in relation to this asset (see Note 4.6.2.2).

The amounts of investment securities classified as current as at 31 December 2022 relate primarily to debt securities of the Group's US subsidiaries, of which EUR 43,885 thousand are earmarked as performance bonds for certain projects being executed (2021: EUR 50,830 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:

	31/12/2022		31/12/2021	
	Non-current	Current	Non-current	Current
Other loans and receivables	110,079	15,071	142,039	150,532
Deposits and guarantees given	16,967	182,270	9,569	146,622
Provisions	(37,011)	(13,362)	(51,975)	(13,362)
Total, net	**90,035**	**183,979**	**99,633**	**283,792**

EUR thousand

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

As at 31 December 2022, "Other loans and receivables " and "Deposits and guarantees given" included mainly:

i. A profit participating loan to Aeropistas, S.L., for EUR 18,587 thousand, for which a provision for the full amount was recognised at 31 December 2021 (see Note 4.6.2.2).

ii. Loans granted to associates for EUR 58,760 thousand, primarily the subordinated debt of the Canalejas Project.

iii. A loan granted to Grupo Villar Mir (GVM) by the Parent, with a provision for the full amount recognised as at 31 December 2022.

The terms of the dation in payment and debt recognition agreement entered into between the Parent, GVM and Inmobiliaria Espacio, S.A. on 27 December 2020 and novated in January 2021 included the recognition by GVM of a debt with OHL of EUR 45,850 thousand divided into different tranches and subject to collateral. Based on this agreement, the Group estimated the recoverable amount of the debt recognised taking into account the fair value of the collateral. As a result, it recognised an impairment loss in 2020.

In 2022, an amount of EUR 16,049 thousand of the total debt was collected (see Note 3.22).

iv. Lastly, "Current financial assets - Deposits and guarantees given" includes pledged bank accounts for EUR 176,237 thousand.

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

The most significant movement in the year ended 31 December 2022 was in "Other loans and receivables" due primarily to the amount received from Cercanías Móstoles Navalcarnero, S.A. in January 2022 as a result of the agreements and ensuing payments made by the Madrid regional government to the concession operator in December 2021 (see Note 4.6.2.2).

3.7 Joint arrangements

3.7.1 Investments accounted for using the equity method

The following table shows investments accounted for using the equity method at 31 December 2022 and 2021:

COMPANIES	31/12/2022	31/12/2021
Joint ventures		
Constructora Vespucio Oriente, S.A.	1,229	3,624
Nova Dársena Esportiva de Bara, S.A.	7,347	8,330
NCC- OHL Lund-Arlöv, fyra spar Handelsbolag	5,674	3,870
Rhatigan OHL Limited	2,569	1,266
Other	1,190	630
Associates		
Alse Park, S.L	2,293	2,301
Proyecto Canalejas Group, S.L.	127,596	146,137
Other	2,062	1,063
Total	**149,960**	**167,221**

EUR thousand

Where the carrying amount of the Group's investment in associates accounted for using the equity method has been reduced to zero and there may be constructive obligations exceeding the amount of contributions made, losses or decreases in equity were recognised as a liability under "Non-current provisions" in the statement of financial position.

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

	2022	2021
Opening balance at 1 January	**167,221**	**295,106**
Increases	20,006	11,364
Share of profit/(loss) for the year from continuing operations	(4,546)	(2,703)
Decreases	(35,148)	(18,275)
Additions and disposals due to changes in the scope of consolidation	130	(115,418)
Transfers to non-current assets held for sale	2,297	(2,853)
Closing balance at 31 December	**149,960**	**167,221**

EUR thousand

The main investment, which explains the movements shown above, is:

Canalejas (Proyecto Canalejas Group, S.L.)

The Group held an ownership interest of 50.0% in this project at 31 December 2022, with a carrying amount of EUR 127,596 thousand. It also held a receivable for the subordinated debt of EUR 54,234 thousand recognised as a non-financial asset under other loans.

In 2022, it recognised a write-down to the value of the investment of EUR 34,485 thousand based on an estimate of cash flows expected to be received in accordance with the project's economic model considering the agreements entered into with the other shareholder.

The model's assumptions were updated taking into account the Covid-19 impact due to mobility restrictions, mostly in Asia; the new macroeconomic scenario of high inflation rates; hikes in interest rates; and the negative trend of the dire Russia-Ukraine war and its impact on commodity price inflation and, more importantly, energy price inflation.

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

Nevertheless, these circumstances have not kept the hotel from being a benchmark 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. As for the shopping centre, a highlight was the partial opening of the commercial area in early June 2022 with some of the leading international luxury brands starting up (e.g. Zegna, Rolex, Valentino, Saint Laurent), not to mention Hérmes and Cartier, which had already opened their doors in 2020 and 2021, respectively. There were delays in marketing in the first floor and in opening of some premises. Occupancy of gross leasable area (GLA) is expected to reach maximum levels in the first half of 2024, considering structural vacancies, with rents measured in €/m2/month in line with prime areas in Madrid where the asset is located. Nominal cash flows were discounted at a rate of 7%, in line with the levels required by equity and debt creditors.

The higher investments and costs incurred, coupled with the project's lower profitability arising mostly from the delay in the marketing and opening of the shopping centre, made it necessary to recognise this write-down.

Nevertheless, the mid-term outlook is for a decrease in the uncertainties surrounding the post-pandemic years. International luxury hotel assets in Madrid (Four Seasons, Mandarin Ritz, Santo Mauro, The Madrid Edition) are setting up along the Gran Vía-Canalejas-Alcalá axis. Joining them in 2023 are hotels such as JW Marriot, Zorrilla 19, Nobu Madrid, and Brach. This competition should revitalise this axis and cement Madrid's status as a luxury tourist destination and one the world's leading capital cities for international luxury retail.

Appendices I, II and III include a list of the main investments accounted for using the equity method, with the company name, registered office, percentage ownership interest, equity, and the net cost of each investment.

The Group's share of net profit of joint ventures for the year ended 31 December 2022 amounted to a loss of EUR 983 thousand (2021: EUR 45 thousand profit).

Its share of net losses of associates for the year ended 31 December 2022 amounted to EUR 3,563 thousand (2021: EUR 2,748 thousand).

3.7.2 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 consolidated financial statements using proportionate consolidation.

Following are key data at 31 December 2022 of joint operations, in proportion to the percentage ownership interest, which the Group considers immaterial taken individually.

	31/12/2022	31/12/2021
Non-current assets	46,053	23,300
Current assets	719,265	614,198
Non-current liabilities	7,241	9,200
Current liabilities	684,008	556,278
Revenue	**835,947**	**645,022**
EBIT	**81,050**	**44,182**
Profit/(loss) before tax	**75,867**	**45,943**

EUR thousand

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

3.8 Non-current assets / liabilities 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 with BBGI Group 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.

Composition of assets and liabilities classified as held for sale by nature as at 31 December 2022 and 2021:

ASSETS HELD FOR SALE	31/12/2022	31/12/2021
Other non-current receivables	29,387	29,660
Investments accounted for using the equity method	(587)	2,853
Other receivables	13	1
Other current assets	1	1
Non-current assets held for sale	**28,814**	**32,515**
LIABILITIES HELD FOR SALE	**31/12/2022**	**31/12/2021**
Trade and other payables	41	8
Other current liabilities	1	1
Liabilities associated with non-current assets held for sale	**42**	**9**

EUR thousand

As disclosed to the market on 19 October 2022 in an **Inside information** notice, since the conditions precedent to which that agreement was subject were not met, the agreement was terminated and the purchase agreement was cancelled and rendered without effect.

Nevertheless, the Group believes that this disposal will be carried out 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, accordingly, considers it to be highly probable.

These circumstances have extended the period to complete the sale. However, in accordance with IFRS 5, paragraph 9, this does not preclude the asset from being classified as held for sale since the delay is caused by events or circumstances, such as the situation of financial markets and the related impact on interest rates, that are beyond the Group's control.

3.9 Trade and other receivables

Trade receivables

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

	31/12/2022	31/12/2021
Trade receivables		
Amounts to be billed for work or services performed	570,938	418,876
Progress billings receivable	557,494	480,478
Retentions	135,519	124,160
Trade notes receivable	1,126	3,064
Subtotal	**1,265,077**	**1,026,578**
Amounts billed in advance for construction work	(264,005)	(185,851)
Advances	(276,850)	(238,674)
Total, net of advances received from customers	724,222	602,053
Provisions	(100,797)	(103,348)
Total, net	**623,425**	**498,705**

EUR thousand

The balance of trade receivables as at 31 December 2022 was reduced by EUR 59,271 thousand (2021: EUR 53,508 thousand) as a result of trade receivables factored to banks in accordance with the non-recourse factoring agreements signed. This explains why they were derecognised.

The breakdown of trade receivables by customer type is as follows:

	31/12/2022	31/12/2021
Spain	**388,267**	**335,897**
Public sector	163,477	150,365
Central government	26,187	25,008
Regional government	49,633	50,308
Local government	39,658	38,714
Other agencies	47,999	36,335
Private sector	224,790	185,532
Abroad	**876,810**	**690,681**
Total	**1,265,077**	**1,026,578**

EUR thousand

Of the balance of "Trade receivables - Abroad" at 31 December 2022, 82.6% related to the public sector (2021: 79.2%) and 17.4% to the private sector (2021: 20.8%).

"Amounts to be billed for work or services performed" at 31 December 2022 stood at EUR 570,938 thousand (2021: EUR 418,876 thousand), representing 2.10 months of sales, in line with the year-earlier figure. Of the total, 97.3% related to balances of construction and industrial projects and the remainder to services.

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 31 December 2022, which totalled EUR 558,620 thousand, 66.3% related to the public sector and 33.7% to the private sector (2021: EUR 483,542 thousand, of which 67.9% related to the public sector and 32.1% to the private sector).

The movements in provisions in 2022 and 2021 were as follows:

Balance at 31 December 2020	**(98,026)**
(Arising in the year)/utilised	(5,322)
Balance at 31 December 2021	**(103,348)**
(Arising in the year)/utilised	2,551
Balance at 31 December 2022	**(100,797)**

EUR thousand

In determining the amount of the provisions against potential losses or loss allowances, estimates are made that take into account breaches of contractual payment obligations and probability of default, which are assessed individually for each contract and customer. The information is updated at each reporting date to determine recoverable amount.

Other supplementary information regarding construction and industrial contract revenue and costs by reference to the stage of completion

Revenue from construction and industrial contracts is recognised by reference to the stage of completion (see Note 2.6.15).

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

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

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

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

	2022	2021	DIFFERENCE	% CHANGE
Amounts to be billed for work performed	554,963	406,786	148,177	36.4%
Advances from customers	(537,273)	(421,546)	(115,726)	27.5%
Construction contracts, net	17,691	(14,760)	32,451	-219.9%
Retentions	135,515	124,160	11,355	9.1%
Net advances and retentions	**153,206**	**109,400**	**43,806**	**N/A**

EUR thousand

Other receivables

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

	31/12/2022			31/12/2021		
	Gross balance	**Impairment losses**	**Net balance**	**Gross balance**	**Impairment losses**	**Net balance**
Receivable from associates	144,222	(1,189)	143,033	112,219	(3,039)	109,180
Employee receivables	1,437	-	1,437	1,160	-	1,160
Receivables from public authorities	92,157	-	92,157	85,743	-	85,743
Other receivables	59,191	(6,596)	52,595	78,001	(6,872)	71,129
Total	**297,007**	**(7,785)**	**289,222**	**277,123**	**(9,911)**	**267,212**

EUR thousand

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

The net balance of other receivables at 31 December 2022 and 2021 relates to the rendering of services and the lease of machinery and materials.

3.10 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 31 December 2022 was EUR 469,311 thousand (2021: EUR 507,455 thousand), of which EUR 185,796 thousand (2021: EUR 147,543 thousand) related to the UTEs in which the Group held interests. There is also EUR 2,934 thousand of restricted cash (2021: EUR 7,990 thousand) related to other guarantees.

3.11 Share capital

Under the scope of the Restructuring carried out by the Group in 2021, the Parent reduced capital and subsequently carried out cash capital increases, which helped to strengthen the Group's capital structure.

After those transactions the share capital of Obrascón Huarte Lain, S.A. amounted to EUR 147,781,146, divided into 591,124,583 shares of EUR 0.25 par value each, all of the same class and series.

Set out below are movements in 2021, as there were no changes in 2022:

	NUMBER OF SHARES	PAR VALUE OF THE SHARES	NOMINAL AMOUNT
		Euros	EUR thousand
Number of shares and nominal amount of share capital at 31 December 2020	**286,548,289**	**0.60**	**171,929**
Capital reduction through reduction of par value	286,548,289	(0.35)	(100,292)
Capital increases	304,576,294	0.25	76,144
Number of shares and nominal amount of share capital at 31 December 2021	**591,124,583**	**0.25**	**147,781**
Number of shares and nominal amount of share capital at 31 December 2022	**591,124,583**	**0.25**	**147,781**

Set out below are holders of direct and indirect ownership interests equal to or greater than 3% of share capital as at 31 December 2022 according to notifications received by the Parent:

COMPANY	% OWNERSHIP INTEREST
Concerted action (Luis Fernando Martin Amodio and Julio Mauricio Martin Amodio)	25.97
Simon Davies	15.51
Inmobiliaria Espacio, S.A. (*)	7.10

(*) The company ceased to have a significant shareholding in March 2023

3.12 Share premium

As at 31 December 2022 and 2021, 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.

3.13 Treasury shares

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

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

3.14 Reserves

Breakdown of the balances of this consolidated statement of financial position item as at 31 December 2022 and 2021:

	31/12/2022	31/12/2021
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	(674,425)	(706,378)
Attributable to consolidated companies	(185,878)	(161,575)
Subtotal	(860,303)	(867,953)
Total	**(819,565)**	**(827,215)**

EUR thousand

Legal reserve

According to the Corporate Enterprises Act, the Company must earmark an amount equal to at least 10% of profit for the year to a legal reserve until such reserve reaches at least 20% of the capital. The legal reserve can be used to increase capital by the amount exceeding 10% of the increased capital amount. Except for this purpose, until the legal reserve exceeds the limit of 20% of share capital, it can only be used to offset losses, provided there are no other reserves available for this purpose.

The legal reserve was fully allocated at year-end 2022 and 2021. In 2021, an accounting adjustment was made that left the amount of the reserve equal to 20% of the new amount of share capital, which had been reduced. This adjustment was recognised in voluntary reserves.

Capital redemption reserve

The balance of "Capital redemption reserve" amounted to EUR 11,182 thousand at 31 December 2022 and 2021 as a result of the capital reductions carried out in 2018 for EUR 7,326 thousand, in 2009 for EUR 2,625 thousand and in 2006 for EUR 1,231 thousand, through the redemption of treasury shares, and pursuant to current legislation safeguarding the guarantee provided by equity vis-à-vis third parties.

This reserve is restricted and may only be used if the same requirements as those stipulated for capital reductions are met, i.e. that shareholders at the General Meeting must decide on its use.

Limitations on the distribution of dividends

As at 31 December 2022, the Parent complied with all the legal obligations restricting the distribution of dividends.

However, there are contractual restrictions included in the terms and conditions of the New Notes, the Multi-product Syndicated Facilities (MSF) agreement and other agreements with financial creditors, which do not allow dividends to be paid until those contracts mature.

Voluntary reserves

The change in the Parent's voluntary reserves in 2022 was due mainly to:

- Distribution of 2021 profit of EUR 23,690 thousand.
- Increase of EUR 16,299 for the non-monetary contribution by the Parent to OHL Operaciones, S.A. of shares of OHL Servicios-Ingesan, S.A.U. related to reserves not distributed by this company. This transaction was carried out as part of the corporate restructuring the Group has undertaken to carry out with noteholders.

In 2021, the Company allocated EUR 100,292 thousand to a restricted reserve due to the capital reduction carry out pursuant to the terms established by article 335 (c) of the Corporate Enterprises Act.

Reserves in consolidated companies

The balance a 31 December 2022 was a negative EUR 185,878 thousand (2021: negative EUR 161,575 thousand) and related to voluntary reserves of Group subsidiaries and associates for retained earnings.

3.15 Valuation adjustments

Translation differences

Translation differences by country at 31 December 2022 and 2021:

COUNTRY	31/12/2022	31/12/2022
Saudi Arabia	1,450	3,538
Canada	(3,367)	(3,855)
Colombia	7,320	4,414
Mexico	(38,968)	(37,666)
Chile	(10,039)	(16,044)
Peru	(10)	(397)
Czech Republic	8,479	4,887
United States	34,662	15,821
Other countries	(291)	(557)
Total	**(764)**	**(29,859)**

EUR thousand

3.16 Non-controlling interests

This balance of this item in the consolidated statement of financial position reflects interests held by non-controlling shareholders in the equity of fully consolidated companies. The balance relating to non-controlling interests in the consolidated statement of profit or loss reflects the share of non-controlling shareholders in profit or loss.

Breakdown of the balance this consolidated statement of financial position item at 31 December 2022 and 2021:

COMPANIES	31/12/2022	31/12/2022
OHLA-OHMG JV Limited	648	-
Consorcio Aura - OHL, S.A.	-	1
Estación Rebombeo Degollado, S.A.P.I. de C.V.	(2,049)	(1,951)
Hidrógeno Cadereyta, S.A.P.I. de C.V.	(1,565)	(1,468)
Hidro Parsifal, S.A. de C.V.	(107)	(107)
Inizia Networks, S.L	(59)	(65)
Marina Urola, S.A.	467	443
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	508	(850)
Consorcio Valko- OHL- Besalco S.A.	1,013	70
Total	**(1,144)**	**(3,927)**

EUR thousand

The share of non-controlling interests in profit for the year ended 31 December 2022 amounted to EUR 3,343 thousand (2021: EUR 196 thousand).

The detail of the percentage ownership interest and the company name of non-controlling shareholders of fully consolidated Group companies at 31 December 2022 is as follows.

COMPANY	% NON-CONTROLLING INTERESTS	COMPANY NAME
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	50.0%	Senermex Ingeniería y Sistemas, S.A. de C.V.
Consorcio Aura- OHL, S.A.	35.0%	Aura Ingeniería, S.A.
Consorcio Valko- OHL- Besalco S.A.	33.3%	Besalco Construcciones S.A.
	33.3%	Valko Minería y Energía Limitada
Estación Rebombeo Degollado, S.A.P.I. de C.V.	50.0%	Construcciones Industriales Tapia, S.A. de C.V.
Hidrógeno Cadereyta, S.A.P.I. de C.V.	40.7%	KT Kinetics Technology, SPA
	5.4%	Construcciones Industriales Tapia, S.A. de C.V.
Hidro Parsifal, S.A. de C.V.	10.0%	José Federico Ramos Elorduy Wolfslindseder
	5.0%	María de Lourdes Bernarda Ramos Elorduy
	5.0%	Grupo HI, S.A. de C.V.
Inizia Netwoks, S.L.	31.2%	Gestión Ibérica de Medio Ambiente Serv y Com, S.L.
	10.4%	Aquaducta Servicios de Ingeniería, S.L.
	4.9%	Juan Manuel Chuliá Martín
	2.4%	Jose Francisco Devis Capilla
Marina Urola, S.A.	47.3%	Servicios Náuticos Astilleros Elkano, S.L.
	1.7%	Marinas del Mediterráneo, S.L.
OHLA-OHMG JV LTD	40.0%	OHMG Holdings Limited
OHL Industrial and Partners LLC	30.0%	Faisal Hamid Ahmed Ghazali

3.17 Bank borrowings, and issues of bonds and other marketable securities

The balances of bank borrowings and issues of notes and other marketable securities on the statement of financial position as a 31 December 2022 and 2021 are as follows:

	31/12/2022	31/12/2022
Non-current liabilities		
Bank borrowings	3,692	43,355
Issue of corporate notes	428,400	444,642
Current liabilities		
Bank borrowings	26,778	26,054
Issue of corporate notes	8,707	9,458
Total	**467,577**	**523,509**

EUR thousand

In 2022 the Group reduced loans and borrowings by EUR 55,932 thousand, using payments received from concession operator Cercanías Móstoles Navalcarnero, S.A. (in liquidation) in January 2022 in settlement from the Madrid regional government in December 2021 as payment for investments made in major projects.

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

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

3.17.1 Issue of notes and other marketable securities

Under the scope of the Restructuring completed on 28 June 2021, the Group cancelled the outstanding 2022 and 2023 Notes through a combination of: (i) write-off; (ii) debt-equity swap of the principal of the Notes; and (iii) issuance of new notes. This issue of secured notes was carried out through Spanish subsidiary OHL Operaciones, S.A.U. for a nominal amount of EUR 487,267 thousand. The notes were accounted for at their fair value in application of IFRS 9 and IFRIC 19.

The **characteristics of the Notes** are as follows.

				MATURITY OF NOMINAL AMOUNT		GUARANTEES
ISSUER	ISSUE DATE	COUPON	PIK	2025	2026	
OHL Operaciones, S.A	June-21	5.10%	1.50%	222,100	222,100	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 2022, payment of the coupon for EUR 11,363 thousand was made and on 15 September another payment of EUR 11,448 thousand 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.

On 8 March 2022, ratings agency Moody's upgraded OHLA's corporate family rating (CFR) to B3, outlook positive.

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

	31/12/2022	31/12/2021
2025-2026 Notes		
Nominal	487,267	487,267
Tender offer, nominal amount (*)	(43,067)	-
Fair value adjustment	(23,923)	(44,187)
Accrued coupon	6,728	9,458
PIK interest	10,102	1,562
Total	**437,107**	**454,100**

EUR thousand

(*) Carried out in March 2022.

Following the partial redemption of the notes carried out by the Group in March 2022 for a nominal amount of EUR 43,067 thousand, the new outstanding nominal amount was EUR 444,200 thousand. The fair value recognised was also adjusted in proportion to the cancellation.

The contractual maturities of the principal on the notes and coupons on a cash outflow basis are: EUR 23,155 thousand in 2023; EUR 23,688 thousand in 2024; EUR 265,494 thousand in 2025 and EUR 264,998 thousand in 2026.

3.17.2 Bank borrowings

The maturity schedule of bank borrowings as at 31 December 2022 is as follows:

	2023	2024	2025	2026	2027	TOTAL
Progress billing and note discounting facilities	4,201	-	-	-	-	4,201
Mortgage loans	48	16	2	-	-	66
Loans and credit facilities	22,529	647	560	560	1,907	26,203
Total	**26,778**	**663**	**562**	**560**	**1,907**	**30,470**

EUR thousand

Progress billing and note discounting facilities.

	31/12/2022	31/12/2021
Limit	7,423	572
Amount drawn down	4,201	572
Undrawn balance	3,222	-

EUR thousand

- **Mortgage loans**

A 31 December 2022 certain items of property, plant and equipment asset amounting to EUR 365 thousand (2021: EUR 371 thousand) had been mortgaged as security for loans of EUR 33 thousand (2021: EUR 60 thousand).

At 31 December 2022, certain investment properties amounting to EUR 159 thousand (2021: EUR 162 thousand) had been mortgaged as security for loans of EUR 33 thousand (2021: EUR 48 thousand).

- **Financing in the United States**

On 28 June 2022, Judlau Contracting Inc signed a credit line for up to EUR 84,380 thousand, with a sub-limit of EUR 42,190 thousand for guarantees.

As at 31 December 2022, EUR 16,407 thousand of this credit line and EUR 39,378 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 31 December 2022 was 5.00% (SOFR + 1.75 spread).

- **Limits on loans and credit facilities**

	31/12/2022	31/12/2021
Limit	64,225	96,731
Amount drawn down	26,203	69,680
Undrawn balance	38,023	27,051

EUR thousand

The average interest rate on the amounts drawn down on the credit facilities in 2022 was 4.98% (2021: 4.73%).

3.18 Other financial liabilities

Breakdown of other financial liabilities as at 31 December 2022 and 2021:

	31/12/2022	31/12/2021
Lease liabilities, non-current	45,414	24,937
Lease liabilities, current	19,233	15,943
Total	**64,647**	**40,880**

EUR thousand

Lease liabilities

Detail by maturity of lease liabilities at 31 December 2022:

	2023	2024	2025	2026	2027	RESTO	TOTAL
Lease liabilities	19,233	14,195	10,020	8,808	5,966	6,425	64,647
Total	**19,233**	**14,195**	**10,020**	**8,808**	**5,966**	**6,425**	**64,647**

EUR thousand

The main liabilities recognised at 31 December 2022 related to leases of office buildings and machinery.

An average effective interest rate of around 5% was used to obtain the present value of the lease payments.

Lease payments recognised in 2022 totalled EUR 21,211 thousand (2021: EUR 22,446), classified in cash flows from financing activities in the consolidated statement of cash flows.

Derivative financial instruments

The main criteria related to derivatives are described in Note 2.6.13.

Foreign currency derivatives

The Group enters into currency forwards to avoid the economic impact of changes in exchange rates on its payment obligations and collection rights in foreign currencies. There were no currency forwards in force at 31 December 2022.

Interest rate derivatives

The Group enters into interest rate swaps and interest rate options to mitigate the variability of borrowing costs.

In financing of concession projects, the lender banks usually require use of interest rate derivatives. The purpose of these derivatives is to limit the potential impact that future changes in interest rates could have on the projects' borrowing costs if the financing continued to carry interest at floating rates.

The Group did not have any interest rate swaps at 31 December 2022 and 2021.

3.19 Provisions

Non-current provisions

Breakdown of this item at 31 December 2022:

	BALANCE AT 31 DECEMBER 2021	ARISING DURING THE YEAR	UTILISED	NET EXCHANGE DIFFERENCES AND INTEREST COST	BALANCE AT 31 DECEMBER 2022
Provisions for taxes	8,086	1,234	(5,074)	173	4,419
Provisions for litigation and third-party liability	53,710	10,018	(1,244)	201	62,685
Other provisions	2,228	1,441	-	75	3,744
Total	**64,024**	**12,693**	**(6,318)**	**449**	**70,848**

EUR thousand

Provisions for litigation and third-party liability include obligations of uncertain amount arising from lawsuits and/or arbitration proceedings in progress, indemnity payments and losses from companies accounted for using the equity method.

Projected schedule of outflows of economic benefits relating to non-current provisions at 31 December 2022:

	2024	2025	2026	2027	RESTO	TOTAL
Provisions for taxes	1,926	-	-	-	2,493	4,419
Provisions for litigation and third-party liability	1,098	2,711	4,208	7	54,661	62,685
Other provisions	796	599	191	-	2,158	3,744
Total	**3,820**	**3,310**	**4,399**	**7**	**59,312**	**70,848**

EUR thousand

Current provisions

Breakdown of this item at 31 December 2022:

	BALANCE AT 31 DECEMBER 2021	ARISING DURING THE YEAR	UTILISED	NET EXCHANGE DIFFERENCES AND INTEREST COST	BALANCE AT 31 DECEMBER 2022
For major maintenance, removal or refurbishment work	-	586	(452)	-	134
Provisions for project completion	44,696	10,783	(13,721)	674	42,432
Provisions for management and other fees	8,945	4,449	(3,574)	35	9,855
Provisions for other transactions	143,614	34,044	(51,232)	17	126,443
Total	**197,255**	**49,862**	**(68,979)**	**726**	**178,864**

EUR thousand

"Provisions for other transactions" includes provisions for trade transactions, which correspond primarily to the Group's construction companies, provisions for future losses that are recognised when it is certain that contract costs will exceed total project contract revenue; provisions for taxes; and provisions for other third-party liability. These amounts considered individually are of scant significance and correspond to numerous contracts.

3.20 Other liabilities

The breakdown of this consolidated statement of financial position item as at 31 December 2022 and 2021 is as follows:

	31/12/2022		31/12/2021	
	Non-current	Current	Non-current	Current
Payable to associates	-	59,464	-	82,252
Salaries payable	-	36,748	-	34,504
Payables to public authorities	-	74,447	-	63,906
Other non-trade payables	30,832	47,370	21,398	32,340
Guarantees and deposits received	1,971	1,225	1,966	1,429
Other	-	241	-	212
Total	**32,803**	**219,495**	**23,364**	**214,643**

EUR thousand

3.21 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.

Reconciliation of accounting profit/(loss) and taxable income/(loss)

Reconciliation of accounting profit/(loss) for the year and profit/(loss) for income tax purposes for 2022 and 2021:

	31/12/2022	31/12/2021
Consolidated profit/(loss) for the year before tax from continuing operations	**(60,839)**	**42,384**
Permanent differences related to continuing operations	9,547	(3,652)
Temporary differences	36,903	(19,131)
Offset of unused tax losses	(81,674)	(50,038)
Tax loss (tax base)	**(96,063)**	**(30,437)**

EUR thousand

Reconciliation of the accounting loss from continuing operations to income tax expense for 2022 and 2021:

	2022	2021
Consolidated profit/(loss) for the year before tax from continuing operations	**(60,839)**	**42,384**
Share of profit/(loss) of companies accounted for using the equity method, net of tax	4,546	2,703
Other permanent differences	5,001	(6,355)
Unrecognised tax losses offset in the year	(26,238)	(15,528)
Tax losses not recognised in the year as tax assets	149,797	121,465
Base for calculating period income tax expense	**72,267**	**144,669**
Income tax expense for the year	21,892	29,060
Prior years' adjustments and other adjustments	10,766	7,183
Income tax expense relating to continuing operations	**32,658**	**36,243**

EUR thousand

Permanent difference relate to the profit or loss of companies accounted for using the equity method, amounting to EUR 4,546 thousand, and the remainder, for EUR 5,001 thousand, to expenses and income for the year which, according to tax laws applicable in each country are non-tax-deductible or taxable, respectively. The most significant items are:

- Non-tax-deductible expenses, such as fines and donations, of finance costs exceeding 30% of operating profit.
- Profit or loss obtained abroad by branches and UTEs.
- The recognition and utilisation of non-tax-deductible provisions.
- Gains on losses on the disposal of equity interests.

Income tax and tax rate

Income tax is calculated using the tax rates enacted in the countries where the Group operates. The main rates are:

COUNTRY	2022
Spain	25%
Saudi Arabia	20%
Algeria	23%
Argentina	35%
Bulgaria	10%
Canada	27%
Colombia	35%
United States	28%
Kuwait	15%
Mexico	30%
Peru	30%
Poland	19%
Qatar	10%
Czech Republic	19%
Slovakia	21%
Turkey	23%

Income tax expense recognised in 2022 amounted to EUR 32,658 thousand and comprised:

- EUR 20,592 thousand for the tax expense recognised by the companies for the Spanish tax group and the amount corresponding to their branches abroad.
- EUR 12,066 thousand relating to the tax expense recognised by the foreign and Spanish companies that do not form part of the Spanish tax group

In 2022, the Group did not recognise any amount of income tax directly in equity for gains or losses on remeasurement of derivative financial instruments.

Deferred taxes and tax losses

Changes in **deferred tax assets**:

Balance at 31 December 2020	**149,063**
Additions and disposals due to changes in the scope of consolidation	(3,588)
Increases	3,704
Decreases	(40,390)
Balance at 31 December 2021	**108,789**
Increases	13,693
Decreases	(32,223)
Balance at 31 December 2022	**90,259**

EUR thousand

The detail of the changes in deferred tax assets in 2022 and 2021 is as follows:

2022	BALANCE AT 31/12/2021	CHANGES IN THE SCOPE OF CONSOLIDATION	CHARGE/ CREDIT TO PROFIT OR LOSS	CHARGE/ CREDIT TO EQUITY	EXCHANGE RATE EFFECT	TRANSFERS AND OTHER	BALANCE AT 31/12/2022
Tax credits							
Unused tax losses	53,779	-	(12,075)	-	2,566	-	44,270
Temporary differences	55,010	-	(10,603)	-	1,582	-	45,989
Total deferred tax assets	**108,789**	**-**	**(22,678)**	**-**	**4,148**	**-**	**90,259**

EUR thousand

2021	BALANCE AT 31/12/2021	CHANGES IN THE SCOPE OF CONSOLIDATION	CHARGE/ CREDIT TO PROFIT OR LOSS	CHARGE/ CREDIT TO EQUITY	EXCHANGE RATE EFFECT	TRANSFERS AND OTHER	BALANCE AT 31/12/2022
Tax credits							
Unused tax losses	80,436	395	(12,808)	-	5,367	(19,611)	53,779
Tax credits	4,176	(4,176)	-	-	-	-	-
Temporary differences	64,451	193	(9,131)	(1,148)	645	-	55,010
Total deferred tax assets	**149,063**	**(3,588)**	**(21,939)**	**(1,148)**	**6,012**	**(19,611)**	**108,789**

EUR thousands

Tax credits do not include all existing tax credits, but only those that the Group expects to be able to utilise in the short or medium term. They relate primarily to tax credits recognised by US companies and by the Parent as head of the Spanish tax group.

Deductible temporary differences arise from expenses recognised for accounting purposes rather than for tax purposes, or income recognised for tax purposes rather than for accounting purposes, whereby the company will recover these tax credits in future periods.

The main items that include deductible temporary differences at year-end 2022 are:

- The recognition and utilisation of accounting provisions with a tax effect when realised, for EUR 28,479 thousand.
- The difference between depreciation and amortisation for accounting and for tax purposes, of EUR 1,090 thousand.
- The difference in the timing of recognition of construction costs, amounting to EUR 12,362 thousand.
- The profit or loss of UTEs, the recognition of which for tax purposes is deferred for one year.

In 2022 the Group reassessed the recoverability of deferred tax assets taking into account the various consolidated tax groups (Spain and US) and other jurisdictions based on long-term business plans, which include assumptions regarding transaction volume and expected returns in line with technical and financial capabilities, and the outlook for the markets in which the Group operates. No risks of recoverability were uncovered by the reassessment of outstanding balances at 31 December 2022.

Changes in **deferred tax liabilities** in 2022 and 2021:

Balance at 31 December 2020	**78,773**
Additions and disposals due to changes in the scope of consolidation	14,712
Increases	2,119
Decreases	(20,344)
Balance at 31 December 2021	**75,260**
Increases	1,380
Decreases	(9,512)
Balance at 31 December 2022	**67,128**

EUR thousand

The detail of the changes in deferred tax liabilities is as follows:

2022	BALANCE AT 31/12/2021	CHANGES IN THE SCOPE OF CONSOLIDATION	CHARGE/ CREDIT TO PROFIT OR LOSS	EXCHANGE RATE EFFECT	TRANSFERS AND OTHER	BALANCE AT 31/12/2022
Temporary differences	75,260	-	(11,977)	3,845	-	67,128
Total deferred tax liabilities	**75,260**	**-**	**(11,977)**	**3,845**	**-**	**67,128**

EUR thousand

2021	BALANCE AT 31/12/2021	CHANGES IN THE SCOPE OF CONSOLIDATION	CHARGE/ CREDIT TO PROFIT OR LOSS	EXCHANGE RATE EFFECT	TRANSFERS AND OTHER	BALANCE AT 31/12/2022
Temporary differences	78,773	14,712	(3,982)	5,368	(19,611)	75,260
Total deferred tax liabilities	**78,773**	**14,712**	**(3,982)**	**5,368**	**(19,611)**	**75,260**

EUR thousand

Taxable temporary differences recognised in 2022, amounting to EUR 67,128 thousand, related mainly to:

- The adjustments made on consolidation, including those recognised for goodwill capitalised as an increase in the value of the customer portfolio and backlog of the acquirees, amounting to EUR 43,465 thousand.
- The difference in the timing of recognition of estimated construction costs, amounting to EUR 12,362 thousand.
- The difference in the timing of revenue recognition, amounting to EUR 3,024 thousand.

Since the Group considered that the retained earnings of investees will not be distributed in the foreseeable future, it did not recognise any deferred tax liabilities in this connection.

Unused tax losses of Group companies available for offset in future tax returns amount to EUR 1,851,846 thousand. The breakdown by item and last year for offset is as follows:

YEAR	EUR THOUSAND
2023	9,102
2024	1,965
2025	2,730
2026	10,823
2027	2,481
2028	6,440
2029	20,096
2030	22,866
2031	23,690
2032	11,031
2033	846
2034	3,936
2035	36,204
2036	53
2037	50
No time limit	1,699,533
Total	**1,851,846**

At 31 December 2022, the companies comprising the Spanish tax group had EUR 1,355,272 thousand of unused tax losses, EUR 11,787 thousand of unused double taxation credits and EUR 16,756 thousand of investment credits (reinvestment, RD&I and other tax credits). No new tax credits for these items were recognised in 2022.

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 year-end 2022, 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.

In July 2020, the Spanish taxation authorities (AEAT) notified the Parent of the commencement of a tax audit, currently in the stage of providing required documentation, of the following taxes and periods:

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

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

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

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

Tax receivables and payables

Tax receivables and payables at 31 December 2022 and 2021:

	CURRENT ASSETS		CURRENT LIABILITIES	
	2022	2021	2022	2021
Value added tax	43,318	41,360	41,146	33,221
Other taxes	46,570	44,335	19,841	16,678
Social Security	2,269	48	13,460	14,007
Total	**92,157**	**85,743**	**74,447**	**63,906**

EUR thousand

3.22 Revenue and expenses

Revenue

Revenue for the Group in 2022 rose by 17.3% to EUR 3,259,672 thousand (2021: EUR 2,778,604 thousand), broken down by business activity and type of customer as follows:

BUSINESS ACTIVITY	2022	2021	% CHANGE
Construction	2,709,347	2,232,917	21.3%
Industrial	130,567	165,536	-21.1%
Services	394,292	361,533	9.1%
Other	25,466	18,618	36.8%
Total revenue	**3,259,672**	**2,778,604**	**17.3%**

EUR thousand

BUSINESS ACTIVITY AND TYPE OF CUSTOMER

	SPAIN		INTERNATIONAL		TOTAL	
	Public sector	Private sector	Public sector	Private sector	Public sector	Private sector
Construction	330,607	143,032	1,908,406	327302	2,239,013	470,334
Industrial	-	108,992	1,228	20347	1,228	129,339
Services	330,250	37,530	12,646	13866	342,896	51,396
Other	24	6,856	13,303	5,283	13,327	12,139
Total revenue	**660,881**	**296,410**	**1,935,583**	**366,798**	**2,596,464**	**663,208**

EUR thousand

The geographical distribution of revenue in 2022 and 2021 is provided in the following tables:

GEOGRAPHICAL AREA	2022	2021
US and Canada	1,155,099	1,008,637
Mexico	26,533	10,480
Chile	201,231	284,030
Peru	220,919	84,453
Colombia	43,768	53,070
Spain	957,291	821,592
Central and Eastern Europe	439,396	380,238
Other countries	215,435	136,104
Total revenue	**3,259,672**	**2,778,604**

EUR thousand

	2022	2021
Spanish market	**957,291**	**821,592**
International market:	**2,302,381**	**1,957,012**
European Union	499,620	381,676
Eurozone	67,637	48,844
Non-eurozone	431,983	332,832
Other	1,802,761	1,575,336
Total	**3,259,672**	**2,778,604**

EUR thousand

Set out below is the reconciliation of segment revenue to consolidated revenue for 2022 and 2021:

	2022			2021		
SEGMENT	REVENUE FROM EXTERNAL CUSTOMERS	INTER-SEGMENT REVENUE	TOTAL REVENUE	REVENUE FROM EXTERNAL CUSTOMERS	INTER-SEGMENT REVENUE	TOTAL REVENUE
Construction	2,709,347	20,779	2,730,126	2,232,917	10,437	2,243,354
Industrial	130,567	2,458	133,025	165,536	3,874	169,410
Services	394,292	65	394,357	361,533	708	362,241
Other	25,466	10,416	35,882	18,618	5,376	23,994
Adjustments to and eliminations of inter-segment revenue	-	(33,718)	(33,718)	-	(20,395)	(20,395)
Total	**3,259,672**	**-**	**3,259,672**	**2,778,604**	**-**	**2,778,604**

EUR thousand

Other operating income

In 2022, this item amounted to EUR 98,533 thousand (2021: EUR 125,665 thousand).

Cost of sales

This item amounted to EUR 1,700,575 thousand in 2022 (2021: EUR 1,513,204 thousand).

Staff costs

Staff costs in 2022 totalled EUR 897,045 thousand (2021: EUR 814,608 thousand).

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

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

The contribution by the Group to this plan in the year amounted to EUR 1,295 thousand (2021: EUR 863 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:

	2022	2021
External services	(300,792)	(238,141)
Taxes other than income tax	(17,888)	(10,708)
Other operating expenses	(327,807)	(236,368)
Total	**(646,487)**	**(485,217)**

EUR thousand

Finance income

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

	2022	2021
Interest income from other companies	14,135	16,031
Income from equity investments	21	1,411
Restructuring income	-	99,481
Total	**14,156**	**116,923**

EUR thousand

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

Finance costs

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

	2022	2021
On the financing of current transactions	(70,405)	(64,724)
On finance leases and deferred purchases of non-current assets	(3,260)	(2,006)
On the discounting of provisions	(87)	311
Restructuring fees	-	(24,106)
Total	**(73,752)**	**(90,525)**

EUR thousand

As at 31 December 2022, the most significant item related to interest costs on the notes, which include the coupon, the PIK and the expense related to fair value, for EUR 50,401 thousand (2021: EUR 24,433 thousand).

Exchange differences (gains and losses)

Exchange losses in 2022 amounted to EUR 20,924 thousand (2021: EUR 2,594 thousand), affected mostly by the trend in the Colombian and Chilean pesos.

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

The remeasurement of financial instruments generated a net gain at 31 December 2022 of EUR 188 thousand (2021: EUR 10,768 thousand net loss).

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

The Group's share of losses in 2022 amounted to EUR 4,546 thousand (2021: EUR 2,703 thousand).

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

In 2022, this income statement item amounted to a negative EUR 21,767 thousand, and included primarily:

- A gain of EUR 13,981 thousand for reversal of impairment on the receivable from Grupo Villar Mir (GVM) due to the amounts received in 2022 (see Note 3.6).
- a write-down to the value of the investment in the Canalejas Project for EUR 34,485 thousand (see Note 3.7.1).

Foreign currency balances

Foreign currency transactions carried out by Group companies in 2022 by currency and the main operating income and expense items, translated to euros at the average exchange rates, are as follows:

CURRENCY	SALES	OTHER INCOME	COST OF SALES	OTHER OPERATING EXPENSES
Czech koruna	348,845	794	348,662	16,809
Norwegian krone	38,685	1,290	21,584	5,854
Swedish krona	44,244	264	22,146	14,713
US dollar	1,200,279	5,081	566,812	333,240
Pound sterling	48,635	40	25,426	20,235
Chilean peso	176,957	3,244	81,660	48,250
Colombian peso	43,770	4,154	19,575	12,141
Mexican peso	26,385	8,531	15,052	14,263
Saudi riyal	4,335	316	(7,858)	7,615
Peruvian sol	220,682	2,660	122,478	31,782
Other currencies	18,031	1,595	10,678	10,159
Total	**2,170,848**	**27,969**	**1,226,215**	**515,061**

EUR thousand

Foreign currency balances at 31 December 2022 and 2021 by currency and the main asset items in the consolidated statement of financial position, translated to euros at the year-end exchange rates, are as follows:

2022

CURRENCY	NON-CURRENT FINANCIAL ASSETS	CURRENT FINANCIAL ASSETS	TRADE AND OTHER RECEIVABLES
Czech koruna	2,413	-	92,621
Norwegian krone	154	180	7,723
Swedish krona	-	72	11,027
Kuwaiti dinar	25	4	6,905
Canadian dollar	-	109	14,624
US dollar	2,526	64,517	493,987
Chilean peso	14,845	1,125	38,407
Pound Sterling	7,892	19,614	5,198
Mexican peso	45	148	67,819
Saudi riyal	1,463	220	24,029
Colombian peso	4,053	247	57,296
Qatari riyal	3,646	-	20,112
Peruvian sol	-	48	127,368
Other currencies	122	865	23,497
Total	**37,184**	**87,149**	**990,613**

2021

CURRENCY	NON-CURRENT FINANCIAL ASSETS	CURRENT FINANCIAL ASSETS	TRADE AND OTHER RECEIVABLES
Czech koruna	205	-	98,849
Norwegian krone	191	154	6,935
Swedish krona	-	21	5,057
Kuwaiti dinar	22	4	7,225
Canadian dollar	-	104	18,183
US dollar	2,208	50,995	332,492
Chilean peso	72	197	67,007
Pound Sterling	29,159	36,408	11,330
Mexican peso	41	137	66,063
Saudi riyal	1,462	207	16,747
Colombian peso	-	682	51,114
Qatari riyal	3,431	-	19,256
Peruvian sol	-	157	45,162
Other currencies	143	32	26,445
Total	**36,934**	**89,098**	**771,865**

EUR thousand

Foreign currency payables at 31 December 2022 and 2021 by currency and the main liability items in the consolidated statement of financial position, translated to euros at the year-end exchange rates, are as follows:

2022

CURRENCY	OTHER FINANCIAL LIABILITIES	TRADE AND OTHER PAYABLES	OTHER NON-CURRENT AND CURRENT LIABILITIES
Czech koruna	13,045	97,941	17,104
Norwegian krone	-	24,483	1,615
Swedish krona	-	27,380	841
Kuwaiti dinar	-	27,599	58
US dollar	6,992	542,143	53,981
Chilean peso	340	47,412	8,068
Pound Sterling	621	27,380	311
Colombian peso	-	87,185	13,770
Mexican peso	1,645	45,313	15,518
Saudi riyal	-	8,077	9,315
Qatari riyal	-	46,624	-
Peruvian sol	-	156,803	7,099
Other currencies	-	19,151	3,760
Total	**22,643**	**1,157,491**	**131,440**

2021

CURRENCY	OTHER FINANCIAL LIABILITIES	TRADE AND OTHER PAYABLES	OTHER NON-CURRENT AND CURRENT LIABILITIES
Czech koruna	11,735	87,963	14,020
Norwegian krone	-	24,521	766
Swedish krona	-	854	693
Kuwaiti dinar	-	36,836	18
US dollar	9,605	430,414	35,960
Chilean peso	-	74,484	3,703
Pound Sterling	242	20,654	58
Colombian peso	-	92,464	12,466
Mexican peso	914	45,191	13,273
Saudi riyal	-	9,565	7,663
Qatari riyal	-	39,442	-
Peruvian sol	-	101,892	3,306
Other currencies	-	21,822	3,409
Total	**22,496**	**986,102**	**95,335**

EUR thousand

3.23 Consolidated statement of cash flows

The 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 consolidated statement of cash flows are as follows:

Operating activities

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

	2022	2021
Change in provisions	(14,275)	(10,753)
Financial profit/(loss)	102,099	(20,543)
Share of profit/(loss) of companies accounted for using the equity method	4,546	2,703
Total	**92,370**	**(28,593)**

EUR thousand

Net cash flows from operating activities in 2022 amounted to EUR 11,468 thousand, compared to EUR 633 thousand of net cash flows used in operating activities the year before.

Investing activities

Cash flows from investing activities in 2022 amounted to EUR 123,266 thousand.

Payments for investments amounted to EUR 81,133 thousand.

Proceeds from the sale of investments totalled EUR 193,060 thousand and included primarily the proceeds obtained from Cercanías from Móstoles Navalcarnero, S.A.

Financing activities

Net cash flows used in financing activities in 2022 amounted to EUR 185,499 thousand and included mainly the impact of the cancellation of loans and borrowings and payment of interest on the notes.

Considering these cash inflows and outflows and net foreign exchange differences, cash and cash equivalents at 31 December 2022 amounted to EUR 469,311 thousand.

4. Other disclosures

4.1 Segment information

An operating segment is defined in 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.
- Services.
- Other (other minor businesses, corporate and consolidation adjustments).

Other minor businesses include mostly financial investments held by the Group in the Canalejas Project, financial assets of Cercanías Móstoles Navalcarnero, S.A. (currently in liquidation) and activity of other concession businesses.

The following tables provide basic segment information for 2022 and 2021.

2022

	CONSTRUCTION	INDUSTRIAL	SERVICES	OTHER	TOTAL GROUP
Revenue	2,709,347	130,567	394,292	25,466	3,259,672
EBITDA (*)	129,306	4,428	11,506	(31,142)	114,098
Margin, %	4.8%	3.4%	2.9%	0.0%	3.5%
Depreciation and amortisation	(49,303)	(3,963)	(4,659)	(10,367)	(68,292)
EBIT	80,003	465	6,847	(41,509)	45,806
Margin, %	3.0%	0.4%	1.7%	0.0%	1.4%
Finance income and costs	20,489	2,272	(4,367)	(77,990)	(59,596)
Income tax expense	(30,216)	(4,463)	(2,147)	4,168	(32,658)
Current assets	1,870,923	161,209	102,715	229,533	2,364,380
Current liabilities	1,725,567	145,017	98,960	19,190	1,988,734
Total assets	2,309,154	176,391	125,032	583,737	3,194,314
Total liabilities	1,856,360	186,057	106,713	487,929	2,637,059
Operating cash flow (**)	34,428	117	15,712	(96,823)	(46,566)
Change in net borrowings	(7,496)	(4,706)	(7,471)	77,185	57,512
Investments and other	(26,932)	4,589	(8,241)	19,638	(10,946)
Investments in associates and joint ventures and additions to non-current assets	93,044	410	11,609	30,297	135,360

EUR thousand

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

** Calculated using internal criteria, which in certain cases differ from IAS 7.

2021					
	CONSTRUCTION	INDUSTRIAL	SERVICES	OTHER	TOTAL GROUP
Revenue	2,232,917	165,536	361,533	18,618	2,778,604
EBITDA (*)	100,502	(9)	15,797	(25,050)	91,240
Margin, %	4.5%	0.0%	4.4%	0.0%	3.3%
Depreciation and amortisation	(47,171)	(322)	(5,724)	(13,479)	(66,696)
EBIT	53,331	(331)	10,073	(38,529)	24,544
Margin, %	2.4%	-0.2%	2.8%	0.0%	0.9%
Finance income and costs	19,791	1,145	(4,033)	9,495	26,398
Income tax expense	(22,631)	(5,103)	(2,009)	(6,500)	(36,243)
Current assets	1,572,935	148,863	109,591	388,036	2,219,426
Current liabilities	1,519,006	258,928	102,552	(114,303)	1,766,183
Total assets	2,024,195	164,865	124,265	749,049	3,062,375
Total liabilities	1,651,987	295,113	106,633	388,292	2,442,026
Operating cash flow (**)	55,505	(6,287)	1,112	(77,136)	(26,806)
Change in net borrowings	9,184	13,046	1,147	(182,300)	(158,923)
Investments and other	(64,689)	(6,759)	(2,259)	259,436	185,729
Investments in associates and joint ventures and additions to non-current assets	54,855	237	4,390	14,494	73,976

EUR thousand

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

** Calculated using internal criteria, which in certain cases differ from IAS 7.

Breakdown of the main items and most significant amounts included in "Other" at 31 December 2022:

- Operating loss in the year amounted to EUR 41,509 thousand, mostly due to corporate overheads.
- Total assets at year-end stood at EUR 583,737 thousand and included mainly the following items:
  - Financial assets in concession operators in liquidation, relating to Cercanías from Móstoles Navalcarnero, S.A. for EUR 50,696 thousand (see Note 3.6).
  - Financial interest in the Canalejas Project, for EUR 181,830 thousand (see Note 3.7).
  - Collection rights on the deferred payment for the sale of Old War Office, for EUR 27,506 thousand.
  - Financial interest in concession operator Centre Hospitalier de l'Université de Montréal (CHUM), for EUR 28,814 thousand, which was reclassified to non-current assets held for sale (see Note 3.8).
  - Cash and other current financial assets for EUR 240,589 thousand.

Secondary segments, i.e. the geographical areas where Group companies operate on a lasting basis since they have local structures, are the US and Canada, Mexico, Chile, Peru, Colombia, Spain, and Central and Eastern Europe. The Group also has a presence in other countries that are not considered local markets currently and are grouped together under "Other countries".

2022

	US AND CANADA	MEXICO	CHILE	PERU	COLOMBIA	SPAIN	CENTRAL AND EASTERN EUROPE	OTHER COUNTRIES	TOTAL GROUP
Revenue	1,155,099	26,533	201,231	220,919	43,768	957,291	439,396	215,435	3,259,672
EBITDA (*)	50.002	(3,373)	25,546	19,598	(16)	(11)	19,491	2,861	114,098
Margin, %	4.3%	-12.7%	12.7%	8.9%	0.0%	0.0%	4.4%	1.3%	3.5%
EBIT	8,828	(1,255)	17,490	18,856	(1,722)	(20,501)	12,770	11,340	45,806
Margin, %	0.8%	-4.7%	8.7%	8.5%	-3.9%	-2.1%	2.9%	5.3%	1.4%
Profit/(loss) after tax (attributable to the Parent)	(10,039)	8,215	30,876	18,042	(13,199)	(138,265)	10,683	(3,153)	(96,840)
Margin, %	-0.9%	31.0%	15.3%	8.2%	-30.2%	-14.4%	2.4%	-1.5%	-3.0%
Trade receivables (net of allowances and advances)	244,487	34,804	22,989	(28,655)	7,586	236,679	100,883	4,652	623,425
Headcount at year-end	1,641	724	4,094	1,070	362	15,227	1,516	236	24,870
Short-term backlog	2,829,612	91,523	544,027	394,625	184,623	1,602,440	469,920	427,154	6,543,924
Long-term backlog	-	-	490,148	-	-	-	-	-	490,148
Total backlog	**2,829,612**	**91,523**	**1,034,175**	**394,625**	**184,623**	**1,602,440**	**469,920**	**427,154**	**7,034,072**

EUR thousand

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

2021

	US AND CANADA	MEXICO	CHILE	PERU	COLOMBIA	SPAIN	CENTRAL AND EASTERN EUROPE	OTHER COUNTRIES	TOTAL GROUP
Revenue	1,008,637	10,480	284,030	84,453	53,070	821,592	380,238	136,104	2,778,604
EBITDA (*)	53,048	(3,523)	11,848	21,437	(1,021)	(5,692)	15,356	(213)	91,240
Margin, %	5.3%	-33.6%	4.2%	25.4%	-1.9%	-0.7%	4.0%	-0.2%	3.3%
EBIT	17,513	(3,689)	10,464	17,830	(4,189)	(38,809)	11,199	14,225	24,544
Margin, %	1.7%	-35.2%	3.7%	21.1%	-7.9%	-4.7%	2.9%	10.5%	0.9%
Profit/(loss) after tax (attributable to the Parent)	13,073	(601)	42,561	12,080	(9,591)	(58,561)	4,740	2,243	5,945
Margin, %	1.3%	-5.7%	15.0%	14.3%	-18.1%	-7.1%	1.2%	1.6%	0.2%
Trade receivables (net of allowances and advances)	186,321	33,392	36,382	(85,708)	(831)	192,923	109,443	26,783	498,705
Headcount at year-end	1,633	797	3,221	784	588	13,980	1,530	246	22,779
Short-term backlog	2,162,385	31,729	407,033	432,436	113,002	1,288,673	520,773	424,965	5,380,996
Long-term backlog	-	-	426,544	-	-	-	-	-	426,544
Total backlog	**2,162,385**	**31,729**	**833,577**	**432,436**	**113,002**	**1,288,673**	**520,773**	**424,965**	**5,807,540**

EUR thousand

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

4.2 Risk management policy

The Group's risk control and management objective is to control and manage current or emerging risks and opportunities related to its business activities in order to:

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

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

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

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

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

The Parent'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 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.

The 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:

Project risk

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

Price volatility and resource scarcity risks

The 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. Shortages or logistics disruptions could cause delays in deliveries or the provision of goods and services.

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

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

Geopolitical and market risks

Political unrest or changes in the legal and regulatory environment in countries where OHLA operates can have significant impacts on the Company's ability to achieve its business objectives. Therefore, the 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

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

Personnel risk

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

Systems and cybersecurity risk

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

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

Litigation and arbitration risk

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

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

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

Financial risks

Financial risks are risks that may affect mainly the Group's ability to raise the necessary financing when required and at a reasonable cost, and to maximise its available financial resources. The most important are:

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

Interest rate risk

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

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

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

The Group did not have any interest rate swaps al 31 December 2022 and 2021.

Foreign currency risk

Management of foreign currency risk is centralised in the Group. It uses a variety of hedging mechanisms to minimise the impact of changes in foreign exchange rates against the euro.

Foreign currency risks relate primarily to:

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

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

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

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

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

2022

CURRENCY	PROFIT / (LOSS)	TRANSLATION DIFFERENCES	TOTAL EQUITY
Czech koruna	-	(3,306)	(3,306)
Norwegian krone	(1,355)	4	(1,351)
Algerian dinar	398	-	398
Kuwaiti dinar	(1,554)	-	(1,554)
Canadian dollar	-	1,214	1,214
US dollar	(3,718)	(1,457)	(5,175)
Chilean peso	(1,095)	968	(127)
Colombian peso	1,229	(5,575)	(4,346)
Australian dollar	(52)	(353)	(405)
Mexican peso	85	439	524
Pound sterling	330	(1)	329
Peruvian sol	(2,810)	98	(2,712)
Total	**(8,542)**	**(7,969)**	**(16,511)**

2021

CURRENCY	PROFIT / (LOSS)	TRANSLATION DIFFERENCES	TOTAL EQUITY
Czech koruna	-	(1,467)	(1,467)
Norwegian krone	(1,343)	(9)	(1,352)
Algerian dinar	286	-	286
Kuwaiti dinar	(2,220)	-	(2,220)
Canadian dollar	-	1,657	1,657
US dollar	(4,136)	(3,800)	(7,936)
Chilean peso	(1,257)	572	(685)
Colombian peso	(217)	(5,023)	(5,240)
Australian dollar	(55)	(362)	(417)
Mexican peso	32	644	676
Polish zloty	17	-	17
Pound sterling	4,196	-	4,196
Saudi Arabian riyal	23	88	111
Qatari riyal	(1,256)	-	(1,256)
Peruvian sol	(4,539)	64	(4,475)
Total	**(10,469)**	**(7,636)**	**(18,105)**

EUR thousand

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

2022

CURRENCY	PROFIT / (LOSS)	TRANSLATION DIFFERENCES	TOTAL EQUITY
Czech koruna	-	3,006	3,006
Norwegian krone	1,233	(3)	1,230
Algerian dinar	(363)	-	(363)
Kuwaiti dinar	1,413	-	1,413
Canadian dollar	-	(1,104)	(1,104)
US dollar	3,380	1,324	4,704
Chilean peso	995	(880)	115
Colombian peso	(1,117)	5,068	3,951
Australian dollar	46	321	367
Pound sterling	(300)	1	(299)
Mexican peso	(78)	(399)	(477)
Peruvian sol	2,555	(89)	2,466
Total	**7,764**	**7,245**	**15,009**

2021

CURRENCY	PROFIT / (LOSS)	TRANSLATION DIFFERENCES	TOTAL EQUITY
Czech koruna	-	1,333	1,333
Norwegian krone	1,221	9	1,230
Algerian dinar	(261)	-	(261)
Kuwaiti dinar	2,018	-	2,018
Canadian dollar	-	(1,506)	(1,506)
US dollar	3,760	3,454	7,214
Chilean peso	1,144	(521)	623
Colombian peso	198	4,566	4,764
Australian dollar	49	329	378
Polish zloty	(15)	-	(15)
Pound sterling	(3,814)	-	(3,814)
Mexican peso	(29)	(585)	(614)
Saudi Arabian riyal	(21)	(80)	(101)
Qatari riyal	1,143	-	1,143
Peruvian sol	4,127	(58)	4,069
Total	**9,520**	**6,941**	**16,461**

EUR thousand

Credit risk

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

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

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

	EUR THOUSAND
Non-current financial assets and concession infrastructure	146,473
Trade and other receivables	1,453,502
Investments in financial assets (see Note 3.6.)	232,376
Cash and cash equivalents	469,311

Non-current financial assets and concession infrastructure

Non-current financial assets includes net loans to associates amounting to EUR 58,760 thousand. The Group is aware of the solvency of its associates and does not expect any losses to arise in relation to these financial assets.

Trade and other receivables

This item includes trade receivables amounting to EUR 1,265,077 thousand, of which 70.2% related to public sector customers for which the Group does not expect any losses to arise, although in certain cases there is a right to demand interest. The remaining 29.8% related to private sector customers which, in general, are highly solvent.

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

In applying IFRS 9 *Financial Instruments*, which addresses expected credit losses, the Group recognised an allowance of EUR 5,000 thousand (see Note 2.6.7).

Liquidity risk

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

i. The capital reduction in Obrascon Huarte Lain, S.A. through the reduction of the par value of the shares to EUR 0.25 per share, for a total amount of EUR 100,292 thousand.

ii. The Investment Commitments and Cash Capital Increases, which entailed the issuance of 304,576,294 new shares with a cash value of EUR 144,584 thousand.

iii. Amendments to the terms and conditions of the Notes, which resulted in the cancellation of the 2022 and 2023 Notes of Obrascón Huarte Lain, S.A. At the same time, via OHL Operaciones S.A.U., a subsidiary of Obrascón Huarte Lain S.A., it issued new Notes for a nominal amount of EUR 487,267 thousand, with 50% maturing on 31 March 2025 and the remaining 50% on 31 March 2026.

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

- 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).
- Renewal of the guarantee facilities of the Multi-product Syndicated Facilities Agreement (MSF) and a CESCE guarantee facility, whose maturity was extended in 2022 to 30 June 2023.
- Amounts received from Cercanías Móstoles Navalcarnero, S.A. in 2021 and January 2022 after settlement of payments by the Madrid regional government for different reasons related to the main construction projects, which went primarily to repay borrowings (see Note 3.17).

As a result, the Group's liquidity position as at 31 December 2022, comprising cash and cash equivalents and current financial assets, stood at EUR 701,687 thousand (2021: EUR 842,236 thousand), broken down as follows:

- **Cash and cash equivalents** of EUR 469,311 thousand (2021: EUR 507,455 thousand), which included EUR 185,796 thousand related to the Group's interests in temporary business associations or joint ventures (UTEs) (2021: EUR 147,543 thousand). There is also restricted cash amounting to EUR 2,934 thousand related to other guarantees (2021: EUR 7,990 thousand).
- **Current financial assets** of EUR 232,376 thousand (2021: EUR 334,781 thousand), which include restricted assets pledged as security for EUR 176,237 thousand, the main item of which is a deposit for EUR 140,000 thousand as collateral for the MSF (2021: EUR 140,000 thousand) and EUR 43,885 thousand of performance bonds for certain projects being carried out in the US (2021: EUR 50,830 thousand).

The Group also has **drawable credit lines and discount facilities** amounting to EUR 41,245 thousand (2021: EUR 27,051 thousand), featuring the Judlau Contracting Inc credit line with a limit of EUR 84,380 thousand and a sub-limit of EUR 42,190 thousand guarantees signed on 28 June 2022.

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

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

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

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

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

4.3 Number of employees

The average number of employees in 2022 and 2021 and the total at 31 December 2022 by employee category and gender is as follows:

EMPLOYEE CATEGORY	AVERAGE NUMBER OF EMPLOYEES		NUMBER OF EMPLOYEES AT YEAR-END	
	2022	2021	31/12/2022	31/12/2021
Senior managers/executives	89	86	87	86
Middle managers	892	1,179	925	781
Other line personnel	3,204	2,758	3,279	3,244
Clerical staff	588	575	633	635
Other employees	19,016	17,359	19,946	18,033
Total	**23,789**	**21,957**	**24,870**	**22,779**
Permanent employees	18,086	15,692	19,953	16,195
Temporary employees	5,703	6,265	4,917	6,584
Total	**23,789**	**21,957**	**24,870**	**22,779**
Men	10,973	10,515	11,524	10,532
Women	12,816	11,442	13,346	12,247
Total	**23,789**	**21,957**	**24,870**	**22,779**

The average number of employees with a disability of a severity equal to or greater than 33% in 2022 and 2021 was 460 and 398, respectively.

4.4 Related party transactions

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

The following table sets out related party transactions carried out in 2022 and 2021:

	2022	% OF TOTAL	2021	% OF TOTAL
Revenue and expenses				
Revenue	(403)	0.0%	15,995	0.6%
Other operating income	41	0.0%	43	0.0%
Cost of sales	-	0.0%	413	0.0%
Other operating expenses	1,386	0.2%	2,947	0.6%
Other transactions				
Guarantees and deposits provided	277	-	-	-
Repayment or cancellation of loans granted	17,026	-	55,369	-
Other transactions	102	-	404	-

EUR thousand

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

TAXPAYER IDENTIFICATION NUMBER (CIF)	RELATED PARTY	ITEM	GROUP COMPANY	EUR THOUSAND
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	63
A-82500257	Grupo Villar Mir, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	1
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	37
B-83962225	Espacio Living Homes, S.L.	Revenue	Obrascón Huarte Lain, S.A.	(504)
B-83962225	Espacio Living Homes, S.L.	Other operating income	Obrascón Huarte Lain, S.A.	11
A-80400351	Espacio Information Tecnology, S.A.U.	Other operating income	OHL Servicios-Ingesan, S.A.U.	5
B-85253888	Villar Mir Energía, S.L.U.	Other operating income	OHL Servicios-Ingesan, S.A.U.	25
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	1
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	6
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	7
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	OHL Servicios-Ingesan, S.A.U.	24
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Chemtrol Proyectos y Sistemas, S.L.	20
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	41
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Pacadar, S.A.U.	520
A-80400351	Espacio Information Tecnology, S.A.U.	Other operating expenses	Pacadar, S.A.U.	38
JSE110223AT0	Jetflight Services, S.A. de C.V.	Other operating expenses	Obrascón Huarte Lain, S.A.	59
A-85255370	Grupo Ferroatlántica, S.A.U.	Other operating expenses	Pacadar, S.A.U.	7
A-80400351	Espacio Information Tecnology, S.A.U.	Management or partnership agreements	Obrascón Huarte Lain, S.A.	557
A-80400351	Espacio Information Tecnology, S.A.U.	Management or partnership agreements	Avalora Tecnologías de la Información, S.A.	106

TAXPAYER IDENTIFICATION NUMBER (CIF)	RELATED PARTY	ITEM	GROUP COMPANY	EUR THOUSAND
Other transactions				
A-82500257	Grupo Villar Mir, S.A.U.	Repayment or cancellation of loans granted	Obrascón Huarte Lain, S.A.	17,026
B-83962225	Espacio Living Homes, S.L.	Guarantees and deposits provided	Obrascón Huarte Lain, S.A.	277
A-80400351	Espacio Information Tecnology, S.A.U.	Acquisitions of intangible assets	Obrascón Huarte Lain, S.A.	102

Related party balances at 31 December 2022 and 2021 were as follows:

	31/12/2022	% S/TOTAL	31/12/2021	% S/TOTAL
Non-current assets				
Other receivables	17,806	16.2%	34,831	25%
Current assets				
Trade receivables	998	0.1%	2,566	0.2%
Other receivables	14	0.0%	-	0.0%
Other receivables	11,150	74.0%	11,150	7.4%
Current liabilities				
Advances received from customers	166	0.0%	541	0.1%
Trade payables	10	0.0%	525	0.1%
Notes payable	-	0.0%	40	0.1%
Other non-trade payables	-	0.0%	11	0.0%

EUR thousand

In addition, at 31 December 2022 the Group had provided guarantees to related parties amounting to EUR 923 thousand (2021: EUR 646 thousand).

4.5 Backlog

The Group's backlog at 31 December 2022 stood at EUR 7,034,072 thousand (2021: EUR 5,807,540 thousand).

The breakdown by activity and geographical market is as follows:

	2022			2021		
BUSINESS ACTIVITY	SHORT-TERM	LONG-TERM	TOTAL	SHORT-TERM	LONG-TERM	TOTAL
Construction	5,807,307	-	5,807,307	4,796,160	-	4,796,160
Industrial	115,961	-	115,961	75,861	-	75,861
Services	620,656	-	620,656	508,975	-	508,975
Other	-	490,148	490,148	-	426,544	426,544
Total backlog	**6,543,924**	**490,148**	**7,034,072**	**5,380,996**	**426,544**	**5,807,540**

EUR thousand

Of the total short-term backlog at 31 December 2022 of EUR 6,543,924 thousand (2021: EUR 5,380,996 thousand), EUR 5,330,724 thousand related to public sector customers and EUR 1,213,200 thousand to private sector customers (2021: EUR 4,480,763 thousand and EUR 900,233 thousand, respectively).

	2022			2021		
GEOGRAPHICAL AREA	SHORT-TERM	LONG-TERM	TOTAL	SHORT-TERM	LONG-TERM	TOTAL
US and Canada	2,829,612	-	2,829,612	2,162,385	-	2,162,385
Mexico	91,523	-	91,523	31,729	-	31,729
Chile	544,027	490,148	1,034,175	407,033	426,544	833,577
Peru	394,625	-	394,625	432,436	-	432,436
Colombia	184,623	-	184,623	113,002	-	113,002
Spain	1,602,440	-	1,602,440	1,288,673	-	1,288,673
Central and Eastern Europe	469,920	-	469,920	520,773	-	520,773
Other countries	427,154	-	427,154	424,965	-	424,965
Total backlog	**6,543,924**	**490,148**	**7,034,072**	**5,380,996**	**426,544**	**5,807,540**

EUR thousand

At 31 December 2022, the international backlog represented 77% of the total (2021: 78%).

Revenue receivable from performance obligations not yet satisfied at year-end 2022 amounted to EUR 7,034,072 thousand, recognised in the Group's total backlog.

The breakdown and estimated timing of receipt (in years) is as follows:

	2023	2024	2025	OTHER YEARS	TOTAL BACKLOG
Construction	2,603,843	1,732,427	887,781	583,253	5,807,304
Other	451,571	190,577	104,162	480,455	1,226,765
Total	**3,055,414**	**1,923,004**	**991,943**	**1,063,708**	**7,034,069**

EUR thousand

Other includes Industrial, Services and Other activities and other year revenue expected from concessions in the backlog, mainly the concession for the Biobío hospital network (Chile).

4.6 Contingent assets and liabilities

4.6.1 Contingent assets

There were no material contingent assets as at 31 December 2022.

4.6.2 Contingent liabilities and guarantees

4.6.2.1 Guarantees provided to third parties

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

At 31 December 2022, the Group had provided guarantees to third parties amounting to EUR 3,542,485 thousand (2021: EUR 3,239,567 thousand), of which EUR 3,496,638 thousand (2021: EUR 3,192,041 thousand) related to performance bonds provided to government bodies and private customers to guarantee successful completion of construction work; the remainder related to provisional guarantees for construction tenders.

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

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

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

Joint and several personal financial guarantees

Some Group companies had provided joint and several personal guarantees to a range of entities – mainly banks – as security for credit facilities granted to associates. At 31 December 2022, these guarantees stood at EUR 1,845 thousand (2021: EUR 2,399 thousand).

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

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.

4.6.2.2 Litigation

At 31 December 2022, 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 224.8 million), payment for scope modifications that were executed but remain unpaid, as acknowledged in the partial award (QAR 182 million, or EUR 46.5 million), acknowledgement of and payment for scope modifications that were executed but remain unpaid, in respect of which an arbitral award is yet to be made (QAR 76 million, or EUR 19.4 million) and payment of the costs of extended presence at the construction site, as already acknowledged in the partial award (QAR 190 million, or EUR 48.5 million). For its part, QF seeks acknowledgement of termination costs in excess of the consideration still outstanding under the contract (QAR 2,600 million, or EUR 664.2 million), defect repair costs (QAR 124 million, or EUR 31.7 million), defect repair costs yet to be fully determined (QAR 106 million, or EUR 27.1 million), further costs relating to defect repairs (QAR 238 million, EUR 60.8 million) and liquidated damages for the delay caused by the joint venture (QAR 792 million, EUR 202.3 million).

  The arbitration court is yet to decide on the merits of the claims and the value of any claim that may in the event be upheld. So far, the following items have been quantified: (i) the guarantee enforced against the joint venture (QAR 880 million, EUR 224.8 million), a fixed amount that in any case operates as a claim in favour of the joint venture; (ii) executed but still unpaid scope modifications, for which an arbitration award has already been rendered (QAR 182 million, EUR 46.5 million) - again, a fixed amount that operates as a claim in favour of the joint venture; and (iii) defect repair costs (QAR 124 million, EUR 31.7 million), a fixed amount that operates as a claim in favour of QF. No award ordering payment has yet been made. Any such award will be rendered once all the parties' claims have been determined and evaluated.

  However, in the light of the latest legal opinions provided by third parties and the views of the 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 308.2 million), or, in the alternative, KWD 90.4 million (EUR 276.9 million), plus, in any event, KWD 2.3 million (EUR 7.0 million), based on an assessment by independent consultants. Kuwait filed a counter-memorial, containing a counter-claim for KWD 32.1 million (EUR 98.3 million). On 15 December 2022, the Arbitration Court ruled on the proceeding, rejecting by majority, with one dissenting vote, both the joint venture's claim and Kuwait's counterclaim as it considered that the Kuwaiti courts had jurisdiction. On 6 March 2023, the joint venture filed an appeal against this decision.

- On 13 December 2017, Samsung C&T Corporation, Obrascón Huarte Lain, S.A. and Qatar Building Company filed a request for arbitration before the International Chamber of Commerce against Qatar Railways Company in connection with the contract "Design & Build Package 5 – Major Stations – Doha Metro Project". OHL owns a 30% stake in the joint venture, a construction company. The joint venture seeks damages initially estimated at QAR 1,500 million (EUR 383.2 million). Kuwait filed an initial counter-claim for QAR 1,000 million (EUR 255.5 million). The arbitration court declared that it was not competent to hear the case because at the time the request for arbitration was filed the requirements under the arbitration clause had not been met. The joint venture then filed a new request for arbitration seeking damages initially estimated at QAR 1,400 million (EUR 357.7 million). Qatar Railways then counter-claimed for damages initially estimated at QAR 860 million (EUR 219.7 million).

  The 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 40.9 million) as a consequence of PGB's liabilities as a partner in the construction consortium for the Slowacckiego IV project in Gdansk, Poland. The court proceedings are still at the initial stage.

- The Group filed an arbitration claim against Anesrif (the Algerian agency for railway investment) arising from a contract for construction of the Annaba railway. Based on the opinions of independent experts, the Group seeks damages of EUR 200.0 million. Anesrif has counter-claimed for EUR 56.9 million.

- The Group is a party to an arbitration proceeding initiated by Autopista Rio Magdalena, S.A. (a company of the Aleática Group, formerly OHL Concesiones) to resolve disputes arising from the contract for construction of the Rio Magdalena Highway (Colombia) that led to early termination of the contract in April 2019. Here, the Group seeks damages of COP 313,769 million (EUR 61.8 million), while Autopista Rio Magdalena claims COP 1,149,659 million (EUR 226.5 million). In connection with this arbitration proceeding, Autopista Rio Magdalena has sued the surety companies in the courts, claiming COP 127,719 million (EUR 25.2 million) in advance payments and COP 164,513 million (EUR 32.4 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.

In the light of legal opinions provided by third parties and the views of the Parent's own legal advisors, the Parent's directors believe it is unlikely that the arbitration award will cause any economic loss to the Group.

- The Group is suing the Chilean tax ministry and the Chilean ministry of public works in over the contract to build the Chacrillas reservoir. The Group seeks damages of CLP 30,169 million (EUR 33.2 million).

cOn 24 November 2022, OHL was sued by Aleatica, S.A., which claimed USD 62.7 million (EUR 58.8 million) or subsidiarily USD 53.5 million (EUR 50.2 million). This claim relates to a receivables assignment agreement entered into on 28.9.2016 between OHL and OHL Concesiones S.A.U. (former name of Aleatica, S.A.) under which OHL assigned to Aleatica a receivable from Autopista del Norte, S.A.C. (a Peruvian subsidiary of Aleatica) arising from the Red Vial 4 construction contract. The 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 54.2 million). The Group counter-claimed for UFs 0.77 million (EUR 29.8 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:

- In December 2019, in case 882/2019 in Madrid Court of First Instance No. 10, a defence was filed to the claim against OHL brought by the funds TDA 2015-1 Fondo de Titulización, TDA 2017-2 Fondo de Titulización, Bothar Fondo de Titulización and Kommunalkredit Austria, Ag. The claimants, as creditors, argue that the borrower was under certain obligations set out in the Sponsor Agreement entered into by the borrower as part of the project finance for a concession operator now in liquidation, Autopista Eje Aeropuerto Concesionaria Española, S.A.U. The value of the claim is EUR 212.4 million, in the form of a subordinated loan, contribution to equity, capital increase amount, or damages, plus EUR 70.9 million in late payment interest.

  On 16 July 2021, the first-instance court dismissed the claimant funds' case in its entirety. Meanwhile, on 17 September 2021, the request for clarification of the judgement submitted by the same parties was also dismissed in its entirety. The funds appealed the ruling, resulting in appeal 926/21, of the Madrid High Court. A date is yet to be appointed for judgment to be rendered on this matter.

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

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

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

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

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

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

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

  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.

  (i) declare the earlier proceedings S/DC/0611/17 to have expired, and order that they be stayed, and

  (ii) request that the CNMC commence new infringement proceedings.

  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 51.0 million (EUR 47.8 million). On 17 November 2021, a first-instance decision was issued, imposing a penalty on the Group of UIT 28,268.88 (EUR 32.0 million). An application for judicial review was submitted, so the proceeding is still in the administrative phase. In the view of the directors and the legal advisors, at the date of issue of the accompanying financial statements there was no reason to recognise any provision in this respect.

4.7 Information on deferred payments to suppliers. Additional Provision Three. “Disclosure requirements of Law 18/2022, of 28 September”

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

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

	DAYS 2022	DAYS 2021
Average supplier payment period	69	78
Ratio of transactions paid	69	77
Ratio of transactions outstanding	68	86

	2022	2021
Total payments made	537,172	455,369
Total payments outstanding	75,677	92,048

EUR thousand

INVOICES PAID WITHIN THE LEGALLY STIPULATED DEADLINE (60 DAYS)	2022
Monetary value	185,557
Number of invoices	68,871
Monetary value/total	35%
Number of invoices/total	48%

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

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

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

The information disclosed relates exclusively to the fully consolidated Spanish Group companies.

The companies which, individually, exceed the statutory limit of outstanding transactions are taking measures to comply.

4.8 Remuneration of directors and senior executives and conflicts of interest

Director remuneration

The remuneration of members of the Board of Directors is governed by Article 24 of the Bylaws and by the Director Remuneration Policy approved by the shareholders at the General Meeting of 02 June 2022, for that year and the three following years, in accordance with Article 529 novodecies of the Spanish Corporate Enterprises Act. The policy established maximum annual remuneration for non-executive directors for the discharge of their duties as directors of one million five hundred and fifty thousand euros (**EUR 1,550.000**), apportioned on the basis adopted by the Board itself, as set out in the Policy. There are no variable remuneration components for non-executive directors.

In 2022, taking this into account and the current composition of the Board and Board committees, the annual remuneration of non-executive directors for discharging their general duties as directors amounted to **EUR 1,295 thousand**. In 2022, as in prior years, there was no kind of pension scheme for non-executive directors. This fixed remuneration for their directorships is compatible with and independent from any remuneration, indemnities, pension benefits or compensation received by directors for employment by or other services to the Company.

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

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

EUR thousand

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

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

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

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

Remuneration of senior executives

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

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

Conflicts of interest

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

4.9 Fees paid to auditors

Fees for financial audit and other services provided by the auditors, or by other companies related to the auditors, to the companies comprising the Group's continuing operations in 2022 and 2021 were as follows:

	PRINCIPAL AUDITOR		OTHER AUDITORS		TOTAL	
	2022	2021	2022	2021	2022	2021
Audit of financial statements	1,122	1,095	608	588	1,730	1,683
Other assurance services	182	261	112	151	294	412
Total audit and related services	**1,304**	**1,356**	**720**	**739**	**2,024**	**2,095**
Tax advisory services	28	95	24	3	52	98
Other services	28	101	11	4	39	105
Total professional services	**56**	**196**	**35**	**7**	**91**	**203**
Total	**1,360**	**1,552**	**755**	**746**	**2,115**	**2,298**

EUR thousand

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

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

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

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

5. Events after the reporting period

On 18 January 2023, the Parent disclosed to the market that, in application of the terms agreed with its financial creditors in the framework of the process of recapitalisation and renegotiation of its debt (the Restructuring), it was going to apply the funds received by its subsidiary Obrascón Huarte Laín Desarrollos, S.A.U. from payment to the latter by 57 Whitehall Investments, S.à.r.l., a Hinduja Group subsidiary, of the deferred purchase price for its 49% shareholding in the Old War Office projects on partial redemption of the notes.

In this respect, OHL Operaciones, S.A.U., a subsidiary of the Parent, launched a partial tender offer for a maximum principal amount of EUR 32,576 thousand (the Maximum Tender Amount, equal to a nominal amount of EUR 31,991 thousand) plus accrued interest payable for holders of its "EUR 487,266,804 Split Coupon Senior Secured Notes" listed on the unregulated market of the Vienna Stock Exchange ("Vienna MTF"), for their subsequent redemption (the Tender Offer).

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

(i) offers received exceeded the Maximum Tender Amount;

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

The total amount paid to noteholders was EUR 33,514 thousand, of which EUR 32,576 thousand was principal of the notes and EUR 938 thousand accrued interest payable (including PIK interest).

6. Additional note for english traslation

These 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

Detail of the most significant companies included in the scope of consolidation as at 31 December 2022.

Subsidiaries (fully consolidated)

COMPANIES WITH REGISTERED OFFICE IN SPAIN

CONSTRUCTION

(1)	Agrupación Guinovart Obras y Servicios Hispania, S.A.
(1)	Asfaltos y Construcciones Elsan, S.A.
(1)	Construcciones Adolfo Sobrino S.A.
n.a.	Ecoventia, S.L.U.
(1)	EYM Instalaciones, S.A.
n.a.	Guinovart Rail, S.A.
(1)	Obrascón Huarte Lain, Construcción Internacional, S.L.
(1)	Pacadar, S.A.U.
(1)	S.A. Trabajos y Obras

COMPANIES WITH REGISTERED OFFICE ABROAD

CONSTRUCTION

n.a.	CAC Vero I, LLC
(2)	Community Asphalt Corp.
n.a.	Consorcio Aura- OHL, S.A.
(1)	Consorcio OHL AIA S.A.
n.a.	Consorcio Valko- OHL- Besalco S.A.
(2)	Construcciones Colombianas OHL, S.A.S.
(1)	Constructora de Proyectos Viales de México, S.A. de C.V.
n.a.	Constructora e Inmobiliaria Huarte Ltda.
(2)	Constructora TP, S.A.C.
(1)	E y M Arabia, LLC
n.a.	Empresa Constructora Huarte San José, Ltda.
n.a.	EYM México Instalaciones, S.A. DE C.V.
(1)	EYM Norway, AS
(2)	Judlau Contracting, Inc.
(1)	OHL Andina, S.A.
(1)	OHL Arabia LLC
(2)	OHL Arellano Construction Company
(1)	OHL Austral, S.A.
(2)	OHLA Building, Inc.
(1)	OHLA Central Europe, a.s.
(2)	OHL Colombia, S.A.S.
n.a.	OHL Construction Canada, Inc.
n.a.	OHL Construction Pacific PTY LTD
n.a.	OHL Finance, S.á.r.l.
(2)	OHL Health Montreal (Holding) Inc. (*)
(2)	OHL Health Montreal (Partner) Inc. (*)
(2)	OHL Infraestructuras S.A.S.
(1)	OHL Ireland Construction and Engineering Limited
(1)	OHLA-OHMG JV Limited
(2)	OHL Sverige AB

COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD	
CONSTRUCTION		**CONSTRUCTION**	
		n.a.	OHL UK Construction Limited
		n.a.	OHL Uruguay, S.A.
		(2)	OHLA USA, Inc.
		n.a.	OHL ZS MO, S.R.L.
		n.a.	OHL ZS Slovakia, a.s.
		(1)	OHLA ZS, a.s.
		n.a.	Pacadar Panamá, S.A.
		(1)	Pacadar UK, Ltd
		(1)	Premol, S.A. de C.V.
		n.a.	Sawgrass Rock Quarry Inc.
		(1)	Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.
		(1)	Tomi Remont, a.s.
		n.a.	Vacua, S.A.
INDUSTRIAL		**INDUSTRIAL**	
(1)	Chemtrol Proyectos y Sistemas, S.L.	n.a.	Chepro México, S.A. de C.V.
n.a.	Ecolaire España, S.A.	(1)	Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.
(1)	OHL Industrial, S.L.	n.a.	Consorcio Instalaciones Mecánicas Hospital Dr. Gustavo Fricke SpA.
n.a.	OHLA Energy, S.L	(1)	Estación Rebombeo Degollado, S.A.P.I. de C.V.
		(1)	Hidro Parsifal, S.A. de C.V.
		(1)	Hidrógeno Cadereyta, S.A.P.I. de C.V.
		(1)	IEPI México, S.A. de C.V.
		(2)	OHL Industrial and Partners LLC
		(1)	OHL Industrial Chile, S.A.
		(1)	OHL Industrial Colombia, S.A.S.
		n.a.	OHL Industrial Delegación Guatemala, S.A.
		n.a.	OHL Industrial Honduras S. de R.L.
		n.a.	OHL Industrial Perú, S.A.C.
		n.a.	Sthim Maquinaria de México, S.A. de C.V.
SERVICES		**SERVICES**	
n.a.	Acurat iniciativa social, S.L., Sociedad Unipersonal	n.a.	Ingesan Chile, SpA
(1)	Gizatzen, S.A.	n.a.	Ingesan Servicios Administrativos México S.A. de C.V.
n.a.	Inizia Networks, S.L.	(1)	Ingesan Servicios México S.A. de C.V.
(1)	OHL Servicios-Ingesan, S.A.U.	n.a.	Ingesan Servicios Profesionales México S.A. de C.V.

COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD	
OTHER		**OTHER**	
(1)	Avalora Tecnologías de la Información, S.A.	n.a.	Avalora América S.A.C.
n.a.	Denia Senior Living, S.L.	n.a.	Avalora Chile Spa
n.a.	Inversiones Biobio, SpA	(1)	Huaribe S.A. de C.V.
n.a.	La Manga Senior Living, S.L.	n.a.	OHL Holding, S.à.r.l.
(1)	Marina Urola, S.A.	n.a.	OHL Infrastructure, Inc.
n.a.	OHL Operaciones, S.A.	n.a.	OHL Iniciativas, S.à.r.l.
n.a.	Obrascon Huarte Lain, Desarrollos, S.A.	(1)	OHLDM, S.A. de C.V.
(1)	OHLA Concesiones, S.L.	(1)	Playa 4- 5 Mayakoba, S.A. de C.V.
n.a.	OHLA Gestión Activos, S.L.	(1)	Sociedad Concesionaria Centro de Justicia de Santiago, S.A.
n.a.	Tenedora de Participaciones Tecnológicas, S.A.	(1)	Sociedad Concesionaria Hospitales Red Biobio, S.A.

(1) Audited by the principal auditor
(2) Audited by other auditors
n.a. Not audited
(*) Discontinued operation

Joint ventures and associates
(accounted for using the equity method)

COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD	
CONSTRUCTION		**CONSTRUCTION**	
(2)	Nuevo Hospital de Burgos, S.A.	(2)	Consorcio Conpax OHL VALKO, S.A.
n.a.	Rebuilding Agente Rehabilitador, S.L.	(1)	Constructora Vespucio Oriente, S.A.
		(2)	Health Montreal Collective CJV L.P.
		(2)	Health Montreal Collective Limited Partnership (*)
		(2)	NCC- OHL Lund-Arlöv, fyra spar Handelsbolag
		(2)	Obalovna Boskovice, s.r.o.
		n.a.	OHL Construction Canada and FCC Canada Limited Partnership
		n.a.	Prestadora de Servicios PLSV, S.A. de C.V.
		n.a.	Regena spol s.r.o.
		(2)	Rhatigan OHL Limited
		n.a.	Servicios Administrativos TMT, S.A. de C.V.
		n.a.	OHL Townlink JV Limited

COMPANIES WITH REGISTERED OFFICE IN SPAIN	COMPANIES WITH REGISTERED OFFICE ABROAD
INDUSTRIAL	**INDUSTRIAL**
	(1) Proyecto CCC Empalme I, S.A.P.I. de C.V.
	(2) Refinería Madero Tamaulipas, S.A.P.I. de C.V.
SERVICES	**SERVICES**
n.a. Servicios de Mantenimiento Prevencor, S.L.	
OTHER	**OTHER**
n.a. Alse Park, S.L.	n.a. 57 Whitehall Holdings Limited
n.a. Concesionaria Ruta Bogotá Norte, S.A.S.	
(2) Nova Dársena Esportiva de Bara, S.A.	
n.a. Parking Niño Jesús-Retiro, S.A.	
n.a. Proyecto Canalejas Group, S.L.	

(1) Audited by the principal auditor
(2) Audited by other auditors
n.a. Not audited
(*) Discontinued operation

Appendix II

Identification of the most significant companies composing the consolidated Group as at 31 December 2022.

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
CONSTRUCTION		
Agrupación Guinovart Obras y Servicios Hispania, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction
Asfaltos y Construcciones Elsan, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	Infrastructure and urban services
CAC Vero I, LLC	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
Community Asphalt Corp.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
Consorcio Aura- OHL, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
Consorcio Conpax OHL VALKO, S.A.	Palacio Riesco N° 4583, Comuna de Huechuraba, Ciudad Santiago	Construction
Consorcio Valko- OHL- Besalco S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
Consorcio OHL AIA S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
Construcciones Adolfo Sobrino S.A.	Gran Vía Don Diego López De Haro 33- 4ª Planta 48009 Bilbao	Construction
Construcciones Colombianas OHL, S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower. Bogotá (Colombia)	Construction
Constructora de Proyectos Viales de México, S.A. de C.V.	Avenida Ejercito Nacional No.453, Piso 6, Colonia Granada, Alcaldía Miguel Hidalgo, Ciudad de México, C.P. 11520	Construction
Constructora e Inmobiliaria Huarte Ltda.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
Constructora TP, S.A.C.	Av. 28 de Julio, nº 150, piso 7, Miraflores- Lima- Perú	Construction
Constructora Vespucio Oriente, S.A.	Vitacura 4380 oficina 61, 7630275 Santiago de Chile	Construction
E y M Arabia, LLC	Sultan Road (North) // Ahmed Al-Hamoody St (Al Naeem District 4)- Building 8 4th floor- Jeddah	Construction
Ecoventia, S.L.U.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction
Empresa Constructora Huarte San José, Ltda.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
EYM Instalaciones, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction
EYM México Instalaciones, S.A. DE C.V.	Avenida Ejercito Nacional No.453, Piso 6, Colonia Granada, Alcaldía Miguel Hidalgo, Ciudad de México, C.P. 11520	Construction
EYM Norway, AS	Lilleakerveien 8, 0283 Lysaker	Construction

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
CONSTRUCTION		
Guinovart Rail, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Construction
Health Montreal Collective CJV L.P.	810 St-Antoine str East. Montreal, H2Y 1A6. Quebec. Canadá	Construction
Judlau Contracting, Inc.	26-15 Ulmer Street, College Point, NY 11354. USA	Construction
NCC- OHL Lund-Arlöv, fyra spar Handelsbolag	170 80 Solna-Stockholm (Suecia)	Construction
Obalovna Boskovice, s.r.o.	Rovná 2146, 680 01 Boskovice. Brno	Construction
Obrascón Huarte Lain, Construcción Internacional, S.L.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction and operation
OHL Andina, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
OHL Arabia LLC	6th Floor Al Andalus Crown Tower, Office 606 7559 Al-Madinah Al-Munawarah Street Al-Faysaliyyah Jeddah 23442	Construction and maintenance
OHL Arellano Construction Company	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
OHL Austral, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
OHL Colombia, S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower Bogotá (Colombia)	Construction
OHL Construction Canada and FCC Canada Limited Partnership	5945 Airport Road, N.144, Mississagua. Ontario. Canadá. L4V1R9	Construction
OHL Construction Canada, Inc.	275 Av. Viger Est, 2nd Floor, Montréal, QC, H2X 3R7	Construction
OHL Construction Pacific PTY LTD	Level 3 | 349 Coronation Drive | Milton (Qld) 4064	Construction
OHL Finance, S.á.r.l.	16, Rue Eugene Ruppert L-2453 Luxembourg	Construction
OHL Infraestructuras S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower Bogotá (Colombia)	Construction
OHL Ireland Construction and Engineering Limited	Unit 15 Block 2, Northwood Court, Northwood Crescent, Santry, Dublin, Ireland	Construction
OHL Sverige AB	Drottninggatan 99, 113 60 Stockholm (Sweden)	Construction
OHL Townlink JV Limited	Unit 15, Second floor, Block2, Northwood Court, Santry, Dublin 9	Construction
OHL UK Construction Limited	30 Crown Place, London, United Kingdom, EC2A 4ES	Construction
OHL Uruguay, S.A.	C/ Rio Negro, 1354, piso 3, 11105 Montevideo, Uruguay	Construction

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
CONSTRUCTION		
OHL ZS MO, S.R.L.	65, Stefan cel Mare blvd, of 806, Chisinau, MD-2012, Moldavia	Construction
OHLA Building, Inc.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
OHLA Central Europe, a.s.	C/ Olsanska, 2643/1A, 13000 Praga-República Checa	Construction
OHLA USA, Inc.	26-15 Ulmer Street, College Point, NY 11354. USA	Construction
OHLA ZS Slovakia, a.s.	Tuhovská 29/ Bratislava	Construction
OHLA ZS, a.s.	Tuřanka 1554/115b,627 00 Brno-Slatina	Construction
OHLA-OHMG JV Limited	Unit 15 Block 2, Northwood Court, Northwood Crescent, Santry, Dublin, Ireland	Construction
Pacadar Panamá, S.A.	Edificio Capital Plaza, Piso 8, Avenida Costa del Este y Avenida Roberto Motta, Costa del Este, Panamá City	Construction
Pacadar UK, Ltd	1 Chamberlain Square CS Birmingham B3 3AX	Construction
Pacadar, S.A.U.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction
Premol, S.A. de C.V.	Avenida Ejercito Nacional No.453, Piso 6, Colonia Granada, Alcaldía Miguel Hidalgo, Ciudad de México, C.P. 11520	Construction
Rebuilding Agente Rehabilitador, S.L.	Pº de la Castellana nº 259 D. 28046 Madrid	Building renovation and consulting
Rhatigan OHL Limited	Earlsfort Terrace, Dublin (Ireland)	Construction
S.A. Trabajos y Obras	Pº de la Castellana nº 259 D. 28046 Madrid	Construction
Sawgrass Rock Quarry Inc.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
Servicios Administrativos TMT, S.A. de C.V.	Avda Pº de la Reforma No.383, Piso 8, Colonia Cuauhtemoc, Alcaldia Cuauhtemoc, Mexico, Ciudad de México, C.P.06500	Construction
Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.	Avenida Ejercito Nacional No.453, Piso 6, Colonia Granada, Alcaldía Miguel Hidalgo, Ciudad de México, C.P. 11520	Construction
Tomi Remont, a.s.	C/ Premyslovka c.p. 2514/4, PSC 796 01 (Prostejov- República Checa)	Construction
Vacua, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
INDUSTRIAL		
Chemtrol Proyectos y Sistemas, S.L.	Pº de la Castellana nº 259 D. 28046 Madrid	Installation and maintenance of security and fire protection systems
Chepro México, S.A. de C.V.	Av. Ejército Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Installation and maintenance of security and fire protection systems
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Industrial engineering and maintenance at industrial plants
Ecolaire España, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	Design and performance of industrial engineering projects
Estación Rebombeo Degollado, S.A.P.I. de C.V.	Av. Ejército Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Industrial engineering for a repumping station
Hidro Parsifal, S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Civil engineering construction work
Hidrógeno Cadereyta, S.A.P.I. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Civil engineering construction work
IEPI México, S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Industrial engineering and maintenance at industrial plants
OHL Industrial and Partners LLC	Muscat, Governorate 112 Omán	Industrial engineering and maintenance at industrial plants
OHL Industrial Chile, S.A.	C/ Rosario Norte 407, Oficina 1203. Santiago Chile	Engineering works, technical advisory services, water treatment and distribution
OHL Industrial Colombia, S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower. Bogotá (Colombia)	Industrial engineering and maintenance at industrial plants
OHL Industrial Delegación Guatemala, S.A.	13 calle 3-40 zona 10 Edificio Atlantis, Nivel 13 oficina 1304	Industrial engineering and maintenance at industrial plants
OHL Industrial Perú, S.A.C.	Av. 28 de Julio, nº 150, piso 8, Miraflores- Lima- Perú	Construction of industrial mining and cement, oil and gas, and energy plants
OHL Industrial, S.L.	Pº de la Castellana nº 259 D. 28046 Madrid	Industrial engineering and maintenance at industrial plants
OHLA Energy, S.L	Pº de la Castellana nº 259 D. 28046 Madrid	Development, promotion and construction of energy projects
Proyecto CCC Empalme I, S.A.P.I. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Development of a fossil-fuel power plant

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
INDUSTRIAL		
Refinería Madero Tamaulipas, S.A.P.I. de C.V.	Juan Racine No. 112, Piso 10. Colonia Los Morales. Delegación Miguel Hidalgo. México DF C.P. 11510	Industrial engineering for a refinery
Sthim Maquinaria de México, S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Management consultancy services
SERVICES		
Acurat iniciativa social, S.L., Sociedad Unipersonal	Edificio Atenas, C. Empresarial "CityParc" sito en Carretera d L´Hospitalet 147 y 149. 08940 Cornellá de Llobregat (Barcelona)	Building and plant facility management
Gizatzen, S.A.	Gran Vía Don Diego López de Haro 33- 5ª Planta 48009 Bilbao	Building and plant facility management
Ingesan Chile, SpA	C/ Los Militares 6191 Oficina 83. Las Condes. Santiago de Chile	Building and plant facility management
Ingesan Servicios México S.A. de C.V.	Av. Ejercito Nacional 453, Piso 5, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad de México	Building and plant facility management
Inizia Networks, S.L.	C/ Antigua Senda Senent, 8 46023 Valencia	Bio-sanitary waste treatment plant
OHL Servicios-Ingesan, S.A.U.	Pº de la Castellana nº 259 D. 28046 Madrid	Building and plant facility management
Servicios de Mantenimiento Prevencor, S.L.	Avenida de las Cortes Valencianas 58. Edif. Sorolla Center, oficina 409. 46015 Valencia	Building and plant facility management

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
OTHER		
ALSE Park, S.L.	c/ Alcalá, 7b. 28014 Madrid	Operation of hotels and leisure centres
Avalora América S.A.C.	Av. 28 de Julio 753 of 901 Miraflores- Lima- Perú	New technologies
Avalora Chile Spa.	Av. Padre Mariano 82, oficina 1402, Providencia. Santiago de Chile.	New technologies
Avalora Tecnologías de la Información, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	New technologies
Concesionaria Ruta Bogotá Norte S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower. Bogotá (Colombia)	Finance, studies and management
Denia Senior Living, S.L.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction and development of real estate projects
Inversiones Biobio, SpA	C/ Cerro El Plomo, nº 5755 Of. 1203 Piso 12. Las Condes. Santiago de Chile	Holding company
Health Montreal Collective Limited Partnership	1440 ST Catherine West, Suite 500, Montreal, Quebec H3G1R8	Construction
Huaribe S.A. de C.V.	Ctra. Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, México CP 77710	Real estate project development
La Manga Senior Living, S.L.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction and development of real estate projects
Marina Urola, S.A.	Barrio Santiago- Puerto deportivo- Zumaia- Guipúzcoa	Concession and operation of marina (Zumaia- Guipúzcoa)
Nova Dársena Esportiva de Bara, S.A.	C/ Puerto deportivo Roda de Bará. Edificio Capitania, Bajos. Pº Marítimo s/n, 43883 Roda de Bara. Tarragona	Port concession and operation
Nuevo Hospital de Burgos, S.A.	C/ Islas Baleares, s/n 09006 Burgos	Construction and operation
Obrascon Huarte Lain, Desarrollos, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	Real estate project development
OHL Health Montreal Holding Inc.	465 St. Jean, Unit 603, Montreal, QC, H2Y 2R6	Holding company
OHL Health Montreal Partner Inc.	465 St. Jean, Unit 603, Montreal, QC, H2Y 2R6	Holding company
OHL Holding, S.à.r.l.	16, Rue Eugene Ruppert L-2453 Luxembourg	Holding company
OHL Infrastructure, Inc.	Av. 555 Theodore Fremd Ave, Suite B 201 RYE. 10580 New York	Financial studies
OHL Iniciativas, S.à.r.l.	16, Rue Eugene Ruppert L-2453 Luxembourg	Holding company
OHL Operaciones, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction and operation
OHLA Concesiones, S.L.	Pº de la Castellana nº 259 D. 28046 Madrid	Development of Concessions
OHLA Gestión Activos, S.L.	Pº de la Castellana nº 259 D. 28046 Madrid	Construction and development of real estate projects

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
OTHER		
OHLDM, S.A. de C.V.	Ctra. Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, México C.P. 77710	Real estate project development
Parking Niño Jesús-Retiro, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	Concession, construction, management and operation
Playa 4- 5 Mayakoba, S.A. de C.V.	Ctra. Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, México CP 77710	Operation of hotels and leisure centres
Proyecto Canalejas Group, S.L.	c/ Sevilla, 6- 3ª planta. 28014 Madrid	Operation of hotels and leisure centres
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Avda. Manuel Rodriguez Sur 2281, Santiago	Concession and operation
Sociedad Concesionaria Hospitales Red Biobio, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Concession, construction and operation
Tenedora de Participaciones Tecnológicas, S.A.	Pº de la Castellana nº 259 D. 28046 Madrid	New technologies

Appendix III

Detail of the equity and net cost of investment in the main companies composing the consolidated Group at 31 December 2022.

COMPANY	OWNERSHIP			CAPITAL	RECEIVABLES ON UNCALLED CAPITAL	RESERVES	2022 PROFIT / (LOSS)	INTERIM DIVIDEND	TOTAL CAPITAL AND RESERVES	VALUATION ADJUSTMENTS	TOTAL EQUITY	PROFIT PARTICIPATING LOAN	TOTAL EQUITY + PROFIT PARTICIPATING LOAN	UNDER-LYING CARRYING AMOUNT	NET COST OF THE INVESTMENT
	DIRECT	INDIRECT	TOTAL												
FULLY CONSOLIDATED COMPANIES															
Acurat iniciativa social, S.L., Sociedad Unipersonal	-	100.00	100.00	3	-	55	67	-	125	-	125	-	125	125	3
Agrupación Guinovart Obras y Servicios Hispania, S.A.	-	100.00	100.00	30,050	-	25,670	1,679	-	57,399	-	57,399	-	57,399	57,399	70,180
Asfaltos y Construcciones Elsan, S.A.	-	100.00	100.00	7,603	-	3,757	985	-	12,345	-	12,345	5,000	17,345	17,345	15,739
Avalora América S.A.C.	-	100.00	100.00	522	-	(544)	50	-	28	-	28	-	28	28	172
Avalora Chile Spa.	-	100.00	100.00	360	-	50	179	-	589	-	589	-	589	589	381
Avalora Tecnologías de la Información, S.A.	-	100.00	100.00	455	-	5,027	378	-	5,860	-	5,860	-	5,860	5,860	6,860
CAC Vero I, LLC	-	100.00	100.00	3,281	-	868	-	-	4,149	-	4,149	-	4,149	4,149	3,281
Chemtrol Proyectos y Sistemas, S.L.	-	100.00	100.00	630	-	1,358	225	-	2,213	-	2,213	-	2,213	2,213	2,214
Chepro México, S.A. de C.V.	-	100.00	100.00	5	-	(877)	85	-	(787)	-	(787)	-	(787)	(787)	-
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	-	50.00	50.00	7	-	(1,893)	2,901	-	1,015	-	1,015	-	1,015	508	-
Community Asphalt Corp.	-	100.00	100.00	2	-	41,653	(822)	-	40,833	-	40,833	-	40,833	40,833	208,959
Consorcio Aura- OHL, S.A.	65.00	-	65.00	165	(165)	-	-	-	-	-	-	-	-	-	-
Consorcio OHL AIA S.A.	-	100.00	100.00	220	-	326	91	-	637	-	637	-	637	637	220
Consorcio Valko- OHL- Besalco S.A.	-	33.34	33.34	110	-	-	1,409	-	1,519	-	1,519	-	1,519	506	37
Construcciones Adolfo Sobrino S.A.	-	100.00	100.00	1,520	-	212	650	-	2,382	-	2,382	-	2,382	2,382	7,176
Construcciones Colombianas OHL, S.A.S.	-	100.00	100.00	336	-	(10,368)	(4,977)	-	(15,009)	-	(15,009)	-	(15,009)	(15,009)	-
Constructora de Proyectos Viales de México, S.A. de C.V.	-	100.00	100.00	2,400	-	100,880	7,798	-	111,078	-	111,078	-	111,078	111,078	93,329
Constructora e Inmobiliaria Huarte Ltda.	89.90	10.10	100.00	573	-	(623)	(477)	-	(527)	-	(527)	-	(527)	(527)	2,285
Constructora TP, S.A.C.	-	100.00	100.00	2,463	-	125	41	-	2,629	-	2,629	-	2,629	2,629	3,163
Denia Senior Living, S.L.	-	100.00	100.00	3	-	3,328	-	-	3,331	-	3,331	-	3,331	3,331	3,331
E y M Arabia, LLC	-	100.00	100.00	125	-	2,983	1,432	-	4,540	-	4,540	-	4,540	4,540	102
Ecolaire España, S.A.	-	100.00	100.00	905	-	1,061	3,467	-	5,433	-	5,433	-	5,433	5,433	5,433
Ecoventia, S.L.U.	-	100.00	100.00	150	-	347	(14)	-	483	-	483	-	483	483	893
Empresa Constructora Huarte San José, Ltda.	95.00	5.00	100.00	18	(17)	177	6	-	184	-	184	-	184	184	10
Estación Rebombeo Degollado, S.A.P.I. de C.V.	-	50.00	50.00	-	-	(4,328)	230	-	(4,098)	-	(4,098)	-	(4,098)	(2,049)	-
EYM Instalaciones, S.A.	-	100.00	100.00	601	-	12,938	(325)	-	13,214	-	13,214	-	13,214	13,214	4,490
EYM México Instalaciones, S.A. DE C.V.		100.00	100.00	14	-	(237)	85	-	(138)	-	(138)	-	(138)	(138)	-
EYM Norway, AS	-	100.00	100.00	3	-	170	(96)	-	77	-	77	-	77	77	3
Gizatzen, S.A.	-	100.00	100.00	60	-	86	(3,534)	-	(3,388)	-	(3,388)	-	(3,388)	(3,388)	-

EUR thousand

COMPANY	OWNERSHIP DIRECT	OWNERSHIP INDIRECT	OWNERSHIP TOTAL	CAPITAL	RECEIVABLES ON UNCALLED CAPITAL	RESERVES	2022 PROFIT / (LOSS)	INTERIM DIVIDEND	TOTAL CAPITAL AND RESERVES	VALUATION ADJUSTMENTS	TOTAL EQUITY	PROFIT PARTICIPATING LOAN	TOTAL EQUITY + PROFIT PARTICIPATING LOAN	UNDER-LYING CARRYING AMOUNT	NET COST OF THE INVESTMENT
FULLY CONSOLIDATED COMPANIES															
Guinovart Rail, S.A.	-	100.00	100.00	100	-	(20)	(3)	-	77	-	77	500	577	577	600
Hidro Parsifal, S.A. de C.V.	-	79.66	79.66	37	-	(620)	57	-	(526)	-	(526)	-	(526)	(419)	-
Hidrógeno Cadereyta, S.A.P.I. de C.V.	-	53.90	53.90	-	-	(3,536)	143	-	(3,393)	-	(3,393)	-	(3,393)	(1,829)	-
Huaribe S.A. de C.V.	-	100.00	100.00	78,660	-	(69,288)	(537)	-	8,835	-	8,835	-	8,835	8,835	45,666
IEPI México, S.A. DE C.V.	-	100.00	100.00	1,099	-	13,842	(232)	-	14,709	-	14,709	-	14,709	14,709	-
Ingesan Chile, SpA	-	100.00	100.00	22	(22)	(13)	-	-	(13)	-	(13)	-	(13)	(13)	1
Ingesan Servicios México S.A. de C.V.	-	100.00	100.00	1,958	-	(6,424)	(1,202)	-	(5,668)	-	(5,668)	-	(5,668)	(5.668)	-
Inizia Networks, S.L.	-	51.00	51.00	5	-	(137)	13	-	(119)	-	(119)	-	(119)	(61)	350
Inversiones Biobio, SpA	-	100.00	100.00	11,020	(3,184)	(816)	-	-	7,020	-	7,020	-	7,020	7,020	9,905
Judlau Contracting, Inc.	-	100.00	100.00	24	-	141,334	10,723	-	152,081	-	152,081	-	152,081	152,081	171,033
La Manga Senior Living, S.L.	-	100.00	100.00	3	-	1,135	-	-	1,138	-	1,138	-	1,138	1,138	1,138
Marina Urola, S.A.	-	51.00	51.00	503	-	206	245	-	954	-	954	-	954	487	374
Obrascón Huarte Lain, Construcción Internacional, S.L.	100.00	-	100.00	42,923	-	616,677	26,475	-	686,075	-	686,075	-	686,075	686,075	710,579
Obrascon Huarte Lain, Desarrollos, S.A.	-	100.00	100.00	83,339	-	(118,007)	(37,770)	-	(72,438)	-	(72,438)	227,266	154,828	154,828	231,729
OHL Andina, S.A.	99.00	1.00	100.00	2,564	-	39,818	1,984	-	44,366	-	44,366	-	44,366	44,366	3,279
OHL Arabia LLC	95.00	5.00	100.00	125	-	6,190	(2,401)	-	3,914	-	3,914	-	3,914	3,914	105
OHL Arellano Construction Company	-	100.00	100.00	1	-	17,320	2,212	-	19,533	-	19,533	-	19,533	19,533	65,021
OHL Austral, S.A.	-	100.00	100.00	11,400	-	15,308	2,587	-	29,295	-	29,295	-	29.295	29,295	4,432
OHL Colombia, S.A.S.	-	100.00	100.00	73	-	(11,937)	(2,778)	-	(14,642)	-	(14,642)	-	(14,642)	(14,642)	-
OHL Construction Canada, Inc.	-	100.00	100.00	426,804	-	(66,727)	(4,134)	-	355,943	-	355,943	-	355,943	355,943	-
OHL Finance, S.á.r.l.	-	100.00	100.00	2,456	-	(2,971)	(66)	-	(581)	-	(581)	-	(581)	(581)	-
OHL Health Montreal (Holding) Inc.	-	100.00	100.00	-	-	(33)	(6)	-	(39)	-	(39)	-	(39)	(39)	-
OHL Health Montreal (Partner) Inc.	-	100.00	100.00	1,560	-	23	805	-	2,388	-	2,388	-	2,388	2,388	1,560
OHL Holding, S.à.r.l.	100.00	-	100.00	12	-	534,706	(34,518)	-	534,685	-	534,685	-	534,685	534,685	534,766
OHL Industrial and Partners LLC	-	100.00	100.00	609	(183)	(31,883)	(2,952)	-	(34,409)	-	(34,409)	-	(34,409)	(34,409)	-
OHL Industrial Chile, S.A.	0.00	100.00	100.00	51,080	-	(30,142)	(842)	-	20,096	-	20,096	-	20,096	20,096	18,767
OHL Industrial Colombia, S.A.S.	-	100.00	100.00	354	-	1,752	(903)	-	1,203	-	1,203	-	1,203	1,203	1,203
OHL Industrial Delegación Guatemala, S.A.	-	100.00	100.00	52,957	-	(52,533)	-	-	424	-	424	-	424	424	424
OHL Industrial Perú, S.A.C.	-	100.00	100.00	3,917	-	(2,447)	10	-	1,480	-	1,480	-	1,480	1,480	1,481
OHL Industrial, S.L.	100.00	-	100.00	47,694	-	(45,714)	(3,749)	-	(1,769)	-	(1,769)	41,000	39,231	39,231	46,385
OHL Infraestructuras S.A.S.	1.00	99.00	100.00	55	-	38	(524)	-	(431)	-	(431)	-	(431)	(431)	89
OHL Infrastructure, Inc.	-	100.00	100.00	-	-	8	(123)	-	(115)	-	(115)	-	(115)	(115)	-
OHL Iniciativas, S.à.r.l.	-	100.00	100.00	12	-	534,707	(34,515)	-	534,689	-	534,689	-	534,689	534,689	534,766
OHL Ireland Construction and Engineering Limited	-	100.00	100.00	-	-	1,154	571	-	1,725	-	1,725	-	1,725	1,725	-

EUR thousand

COMPANY	OWNERSHIP			CAPITAL	RECEIVABLES ON UNCALLED CAPITAL	RESERVES	2022 PROFIT / (LOSS)	INTERIM DIVIDEND	TOTAL CAPITAL AND RESERVES	VALUATION ADJUSTMENTS	TOTAL EQUITY	PROFIT PARTICIPATING LOAN	TOTAL EQUITY + PROFIT PARTICIPATING LOAN	UNDER-LYING CARRYING AMOUNT	NET COST OF THE INVESTMENT
	DIRECT	INDIRECT	TOTAL												
FULLY CONSOLIDATED COMPANIES															
OHL Operaciones, S.A.	-	100.00	100.00	60	-	500,277	(34,535)	-	500,287	-	500,287	-	500,287	500,287	534,754
OHL Servicios-Ingesan, S.A.U.	-	100.00	100.00	790	-	16,231	573	-	17,594	-	17,594	-	17,594	17,594	1,472
OHL Sverige AB	-	100.00	100.00	4	-	2,125	2,936	-	5,065	-	5,065	-	5,065	5,065	6,733
OHL UK Construction Limited	-	100.00	100.00	564	-	(347)	(9)	-	208	-	208	-	208	208	220
OHL Uruguay, S.A.	100.00	-	100.00	-	-	(1,225)	(226)	-	(1,451)	-	(1,451)	-	(1,451)	(1,451)	-
OHL ZS MO, S.R.L.	-	100.00	100.00	-	-	41	(31)	-	10	-	10	-	10	10	-
OHLA Building, Inc.	-	100.00	100.00	1	-	6,875	428	-	7,304	-	7,304	-	7,304	7,304	49,461
OHLA Central Europe, a.s.	-	100.00	100.00	20,773	-	54,325	6,483	-	81,581	-	81,581	-	81,581	81,581	89,829
OHLA Concesiones, S.L.	-	100.00	100.00	3,562	-	13,955	(1,500)	-	16,017	-	16,017	-	16,017	16,017	17,751
OHLA Energy, S.L	-	100.00	100.00	3	-	-	(5)	-	(2)	-	(2)	-	(2)	(2)	3
OHLA Gestión Activos, S.L.	-	100.00	100.00	3	-	-	-	-	3	-	3	-	3	3	3
OHLA USA, Inc.	-	100.00	100.00	7,032	-	498,982	19,160	-	525,174	-	525,174	-	525,174	525,174	520,640
OHLA ZS, a.s.	-	100.00	100.00	55,825	-	27,842	8,746	-	92,413	-	92,413	-	92,413	92,413	83,519
OHLA ZS Slovakia, a.s.	-	100.00	100.00	12,368	-	(11,351)	(92)	-	925	-	925	-	925	925	-
OHLA-OHMG JV Limited	-	60.00	60.00	-	-	-	1,619	-	1,619	-	1,619	-	1,619	971	-
OHLDM, S.A. de C.V.	-	100.00	100.00	152,236	-	(105,453)	(821)	-	45,962	-	45,962	-	45,962	45,962	2,176
Pacadar, S.A.U.	100.00	-	100.00	27,000	-	(52,005)	(7,402)	-	(32,407)	-	(32,407)	39,849	7,442	7,442	93,618
Pacadar Panamá, S.A.	100.00	100.00	100.00	10	-	536	1,049	-	1,595	-	1,595	-	1,595	3,190	8
Pacadar UK, Limited	100.00	100.00	100.00	-	-	1,946	4,890	-	6,836	-	6,836	-	6,836	13,672	-
Playa 4- 5 Mayakoba, S.A. de C.V.	-	100.00	100.00	2,027	-	(10,128)	489	-	(7,612)	-	(7,612)	-	(7,612)	(7,612)	74
Premol, S.A. de C.V.	-	100.00	100.00	50	-	3,809	257	-	4,116	-	4,116	-	4,116	4,116	51
S.A. Trabajos y Obras	-	100.00	100.00	1,854	-	41,008	(2,568)	-	40,294	-	40,294	-	40,294	40,294	43,256
Sawgrass Rock Quarry Inc.	-	100.00	100.00	1	-	3,639	(2)	-	3,638	-	3,638	-	3,638	3,638	10,782
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	100.00	-	100.00	11,473	-	(280)	2,509	(1.622)	12,080	-	12,080	-	12,080	12,080	9,146
Sociedad Concesionaria Hospitales Red Biobio, S.A.	51.00	49.00	100.00	38,570	(24,244)	-	(152)	-	14,174	-	14,174	-	14,174	14,174	13,709
Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.	-	100.00	100.00	18,943	-	(18,891)	-	-	52	-	52	-	52	52	47
Sthim Maquinaria de México, S.A. de C.V.	-	100.00	100.00	2	(2)	(303)	18	-	(285)	-	(285)	-	(285)	(285)	-
Tenedora de Participaciones Tecnológicas, S.A.	100.00	-	100.00	601	-	(41,850)	(460)	-	(41,709)	-	(41,709)	41,162	(547)	(547)	-
Tomi Remont, a.s.	-	100.00	100.00	2,053	-	9,474	1,998	-	13,525	-	13,525	-	13,525	13,525	7,878
Vacua, S.A.	99.11	0.89	100.00	12,640	-	(12,121)	(1)	-	518	-	518	-	518	518	604

EUR thousand

COMPANY	OWNERSHIP DIRECT	OWNERSHIP INDIRECT	OWNERSHIP TOTAL	CAPITAL	RECEIVABLES ON UNCALLED CAPITAL	RESERVES	2022 PROFIT / (LOSS)	INTERIM DIVIDEND	TOTAL CAPITAL AND RESERVES	VALUATION ADJUST-MENTS	TOTAL EQUITY	PROFIT PARTICIPATING LOAN	TOTAL EQUITY + PROFIT PARTICIPATING LOAN	UNDERL-YING CA-RRYING AMOUNT	NET COST OF THE INVESTMENT
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD															
JOINT VENTURES															
Concesionaria Ruta Bogotá Norte S.A.S.	50.00	-	50.00	2	-	-	(374)	-	(372)	-	(372)	-	(372)	(186)	1
Consorcio Conpax OHL Valko, S.A.	-	49.00	49.00	1,102	-	224	91	-	1,417	-	1,417	-	1,417	694	540
Constructora Vespucio Oriente, S.A.	50.00	-	50.00	11	-	7,691	1,566	(6.810)	2,458	-	2,458	-	2,458	1,229	6
Health Montreal Collective CJV L.P.	-	50.00	50.00	541,361	-	(558,583)	(16,501)	-	(33,723)	-	(33,723)	-	(33,723)	(16,862)	270,680
NCC- OHL Lund-Arlöv, fyra spar Handelsbolag	-	50.00	50.00	-	-	8,930	2,419	-	11,349	-	11,349	-	11,349	5,675	899
Nova Dársena Esportiva de Bara, S.A.	-	50.00	50.00	3,731	-	(10,342)	(442)	-	(7,053)	-	(7,053)	30,096	23,043	11,522	9,601
OHL Construction Canada and Fomento de Construcciones y Contratas Canada Limited Partnership	-	50.00	50.00	1	-	(156,902)	9,580	-	(147,321)	-	(147,321)	141,857	(5,464)	(2,732)	70,929
OHL Townlink JV Limited	50.00	-	50.00	-	-	-	611	-	611	-	611	-	611	306	-
Prestadora de Servicios PLSV, S.A. de C.V.	-	50.00	50.00	76	(53)	(19)	-	-	4	-	4	-	4	2	11
Proyecto CCC Empalme I, S.A.P.I. de C.V.	-	50.00	50.00	-	-	(48,485)	(107)	-	(48,592)	-	(48,592)	-	(48,592)	(24,296)	-
Rebuilding Agente Rehabilitador, S.L.	-	50.00	50.00	250	-	-	(110)	-	140	-	140	-	140	70	125
Refinería Madero Tamaulipas, S.A.P.I. de C.V.	-	50.00	50.00	-	-	(3,621)	(451)	-	(4,072)	-	(4,072)	-	(4,072)	(2,036)	-
Rhatigan OHL Limited	-	50.00	50.00	-	-	2,531	2,606	-	5,137	-	5,137	-	5,137	2,569	-
Servicios Administrativos TMT, S.A. de C.V.	-	50.00	50.00	-	-	24	191	-	215	-	215	-	215	108	-
ASSOCIATES															
Alse Park, S.L.	-	50.00	50.00	4,298	-	(861)	25	-	3,462	-	3,462	-	3,462	1,731	3,543
Health Montreal Collective Limited Partnership	-	25.00	25.00	6,241	-	5,134	(8,712)	(5,015)	(2,352)	-	(2,352)	-	(2,352)	(588)	1,560
Nuevo Hospital de Burgos, S.A.	20.75	-	20,75	55,033	-	(77,450)	(6,295)	-	(28,712)	-	(28,712)	-	(28,712)	(5,958)	2,958
Obalovna Boskovice, s.r.o.	-	45.00	45.00	1,579	-	78	115	-	1,772	-	1,772	-	1,772	797	622
Parking Niño Jesús-Retiro, S.A.	30.00	-	30.00	3,651	-	(723)	-	-	2,928	-	2,928	-	2,928	878	1,095
Proyecto Canalejas Group, S.L.	-	50.00	50.00	71,670	-	386,227	-	-	457,897	-	457,897	-	457,897	228,949	127,596
Regena spol s.r.o.	-	50.00	50.00	4	-	467	(3)	-	468	-	468	-	468	234	20
Servicios de Mantenimiento Prevencor, S.L.	-	0.24	0.24	253	-	774	181	-	1,208	-	1,208	-	1,208	3	1

EUR thousand

Appendix IV

Detail of the most significant changes in the scope of consolidation as at 31 December 2022.

Subsidiaries
(fully consolidated)

INCLUSIONS		EXCLUSIONS	
COMPANY	REASON	COMPANY	REASON
Denia Senior Living, S.L.	Incorporation	OHL Concesiones Argentina, S.A.	Liquidación
Inversiones Biobio, SpA	Incorporation		
La Manga Senior Living, S.L.	Incorporation		
OHLA Energy, S.L	Incorporation		
OHLA Gestión Activos, S.L.	Incorporation		
OHLA-OHMG JV Limited	Incorporation		
Sociedad Concesionaria Hospitales Red Biobio, S.A.	Incorporation		

Joint ventures and associates
(accounted for using the equity method)

INCLUSIONS		EXCLUSIONS	
COMPANY	REASON	COMPANY	REASON
Concesionaria Ruta Bogotá Norte, S.A.S.	Incorporation		
Mezclas Asfálticas Sostenibles, A.I.E.	Incorporation		
Parking Niño Jesús-Retiro, S.A.	Incorporation		
Rebuilding Agente Rehabilitador, S.L.	Incorporation		

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