# Integrated Annual Report 2021

## Consolidated director's report consolidated annual accounts

*National Archaeological Museum (MUNA). Peru

# Contents

## MANAGEMENT REPORT



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# Contents

## CONSOLIDATED FINANCIAL STATEMENTS

**Luis Fernando Martín Amodio Herrera**

Chairman of the Board of Directors

**Ladies and Gentlemen:**

In our Integrated Report for 2021, I would like to welcome you to OHLA, a reinvigorated company that looks to the future with optimism and energy.

Ours is a time of severe global uncertainty. Two years of pandemic have given way to an unprecedented geopolitical crisis unleashed by Russia's invasion of Ukraine - with the worldwide human, social, political and economic fallout that this implies. We must therefore be ready to adapt to challenging new scenarios. This reality, however, spurs us on to keep working hard with confidence and determination. With our firm social commitment, we aim to meet the needs of all the communities where we are present.

2021 was an operational, financial and strategic turning point for the company and its future. Therefore, I would now like to extend my special congratulations to the OHLA team, to our more than 22,000 employees who, thanks to their commitment and effort, have begun a new cycle of growth, with the support of all our stakeholders.

We made this new start in 2021, which marks the company's 110th anniversary and the birth of OHLA. On 6 July, after 22 years with the OHL brand, we unveiled our new corporate identity and image.

OHLA now picks up the baton and reinforces its goal of contributing to progress by creating infrastructure that has a positive impact on society. We now add to our legacy of more than a century of history a commitment to progress and openness to the challenges of developing sustainable infrastructure at the service of the community.

And we shall do so thanks to our backlog of more than EUR 5.8 billion. Order intake in 2021 set a five-year high, with new contracts worth close to EUR 3.7 billion in Europe, Latin America and the United States, our key geographic areas.

Our wide-ranging influence at a global level is proven by major awards and accolades, such as those achieved in the United States: we were named by the prestigious publication ENR (*Engineering News-Record*) as construction company of the year in the New York and California, in recognition of more than 15 years of building infrastructure that enhances the lives of millions of residents.

We also achieved milestones in Latin America: the inauguration of the MUNA, the largest museum in Peru and one of the leading museums in Latin America; and our role in the construction of the Central Cordillera Crossing, the largest road infrastructure ever in Colombia. In addition, we reactivated our concessions portfolio with a new award in the hospital sector in Chile, where we have a track record of more than nine decades.

In Europe, our third geography, where we have been present since the company was founded in 1911, we are working hard to develop resilient infrastructure. In Spain, we have started new photovoltaic projects and sustainable urban developments aligned with the goals of the 2030 Agenda, such as Centro Canalejas Madrid. We are also committed to public-private partnerships and sustainable means of transport.

The solid work carried out over the past 12 months has fed through to our statement of profit or loss. After five years of losses, we ended 2021 with a profit of EUR 5.9 million. We chalked up the best EBITDA since 2016 with EUR 91.2 million, 35.1% more than in 2020. And we exceeded our forecasts for the company's key economic parameters.

Today, we have a stronger capital structure after completing the refinancing and recapitalisation of the company at the end of June, which also reinforced the Amodio family's commitment to OHLA. Looking at our financial position, the company's liquidity was boosted to a total of EUR 842.3 million, 26.7% more than in 2020, thanks to cash generation of more than EUR 200 million and rotation of non-core assets following our divestments of Hospital de Toledo and Aguas de Navarra in Spain and the Old War Office project in the UK.

In addition, we bolstered our equity by nearly EUR 180 million and delivered on our commitment to debt reduction, which led us to end the year at EUR 523.5 million, or 30.1% less.

We shall continue to reinforce the company's financial position throughout 2022, the second anniversary of the Amodio family's acquisition of a stake in OHLA. Our commitment to OHLA is strong, solid and long-term. We shall also focus on strengthening our order intake and our backlog, one of our mainstays as a business, to boost our performance and achieve sustained growth.

Moreover, growth will be supported by a governance system predicated on a firm commitment to business ethics, transparency and best corporate governance practices, a firm pledge to the ecological and digital transition so as to build more sustainable infrastructure with less impact on the planet, and a focus on a responsible business that drives societal progress in all our host communities by applying diversity and social inclusion policies.

Ours is a time of far-reaching global change. Two years of pandemic have given way to an unprecedented geopolitical crisis unleashed by Russia's invasion of Ukraine - with the worldwide human, social, political and economic fallout that this implies. We must therefore be ready to adapt to challenging new scenarios. This reality, however, spurs us on to keep working hard with confidence and determination to meet the needs of the communities where we are present.

Therefore, at OHLA we shall face upcoming challenges by relying on our main asset, our employees. It is thanks to them that the company has started a new cycle of growth. And, on behalf of the OHLA team, I would also like to thank our stakeholders for their support and trust. We have worked together, and in future will continue to work side by side, to create value and drive progress and well-being for society as a whole.

At OHLA we shall face upcoming challenges by relying on **our main asset, our employees**. It is thanks to them that the company has started a new cycle of growth.

# We are OHLA



Modernization of the Sudoměřice-Votice railway line.Czech Republic.

# We are OHLA

## A reinvigorated company, OHLA, is born

On 6 July 2021, the company unveiled its new corporate identity, OHLA. Aware of our legacy of 110 years of history, we took this step forward to mark the beginning of a new era.

After 22 years of doing business under the OHL brand, the company's transformation is reflected in a new, modern and flexible visual identity that connects to sustainability and growth.

OHLA stands for progress and openness to new and important challenges. Our mission is to build infrastructure that has a positive societal impact and helps the community move forward.

For this new stage, the company's strategy rests on these core pillars:

- Track record and experience. Founded in May 1911, OHLA has a history of more than 110 years.
- Global reach. OHLA's backlog of more than EUR 5.8 billion is widely diversified by geographies and project types.
- The talent and leadership of our 22,000 employees. A knowledgeable and experienced team with excellent technical skills.
- Our commitment to innovation and digitalisation makes for durable infrastructure with a lower environmental impact.
- Sustainability as the central vector of a responsible business model committed to societal progress.

And, as the common thread to bind these themes together, a commitment to transparency, business ethics and best practices in corporate governance.

This integrates financial and non-financial concerns to ensure that we create long-term value for all our stakeholders.

### *PROGRESS ENABLERS* AS A VALUE PROPOSITION

As a company that creates cutting-edge sustainable infrastructure, OHLA advocates for its value proposition as a "progress enabler". Our value proposition arises from the following concepts::

Our contribution to *progress*, by creating infrastructure that enhances people's lives.

The high technical proficiency of our team *enables* innovative solutions that make for world-leading infrastructure landmarks.

## Global positioning

The launch of our new OHLA identity took place on the 110th anniversary of the company – which was founded in 1911 – at the same time as we bolstered our capital structure by successfully completing a refinancing and recapitalisation transaction.

OHLA, with a presence in three geographies – the United States, Latin America and Europe – is a global infrastructure group. According to the Engineering News Record (ENR) league table, we are the 40th largest contractor worldwide. This leading industry publication also ranks us among the top 15 contractors in heavy civil engineering and transportation, and picked us as Contractor of the Year 2021 in California and Contractor of the Year 2019 in New York for our outstanding track record in those states.

The company operates three core businesses - Construction, Services and Industrial - and is working hard to build up the Concessions activity. In this area, in 2021 we added a new contract to our portfolio in Chile. We are considering potential opportunities in the Developments business, given our outstanding experience in unique, high added-value projects in the tourism and hotel sectors.

## Strategic alliances

OHLA became a member of the Spanish Network of the United Nations Global Compact in 2004. In our activities we take into account the initiative's Ten Principles on human rights, the environment, anti-corruption and labour standards.

We are a promoting partner of Forética, the Spanish business forum for ESG matters, and a member of its sustainable development council. We signed the New Deal for Europe manifesto and joined the CEO Alliance for Diversity.

The company is part of the MSCI ESG (Environmental, Social, and Governance) index. Bringing together 1,400 institutional investors from around the world, this initiative aims to identify environmental, social and governance risks and opportunities. OHLA is one of the companies involved in producing the *Reporta* survey. Now in its twelfth year, this study rates the quality of reporting by listed companies within the IGBM all-share index of the Madrid stock exchange, based on a battery of 33 indicators that are grouped under the principles of transparency, commitment, relevance and accessibility.

Oxxeo building, España.

# Milestones of the year

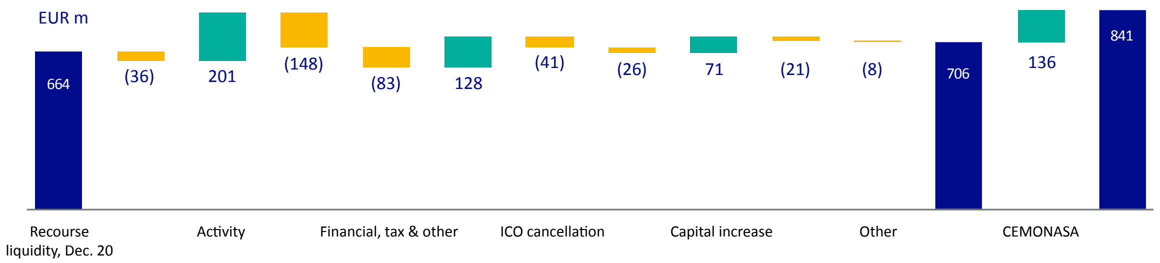
## Performance and headline figures

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

Improvement in the statement of profit or loss was also seen in EBIT, which was positive at EUR 24.5 million in the year compared to a negative EUR 8.5 million in 2020. As disclosed in June, OHLA completed its financial recapitalisation and restructuring in the first half of the year. This, coupled with the Group's organic growth and successful non-core asset rotation strategy, helped drive net profit of EUR 5.9 million in 2021.

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

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




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

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

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

| Highlights | 2021 | 2020 | Var. (%) |
|---|---|---|---|
| **Revenue** | **2.778,6** | **2.830,7** | **-1,8%** |
| **EBITDA** | **91,2** | **67,5** | **35,1%** |
| Margin, % | 3,3% | 2,4% | |
| **EBIT** | **24,5** | **-8,5** | **n.a.** |
| Margin, % | 0,9% | -0,3% | |
| **Profit** | **5,9** | **-151,2** | **n.a.** |
| Margin, % | 0,2% | -5,3% | |

| Revenue and EBITDA | 2021 | 2020 | Var. (%) |
|---|---|---|---|
| **Revenue** | **2.778,6** | **2.830,7** | **-1,8%** |
| Construction | 2.232,9 | 2.347,2 | -4,9% |
| Industrial | 165,5 | 166,3 | -0,5% |
| Services | 361,5 | 300,2 | 20,4% |
| Other | 18,7 | 17,0 | 10,0% |
| **EBITDA** | **91,2** | **67,5** | **35,1%** |
| Construction | 100,5 | 62,2 | 61,6% |
| *Construction EBITDA margin, %* | *4,5%* | *2,6%* | |
| Industrial | 0,0 | 10,8 | -100,0% |
| *Industrial EBITDA margin, %* | *0,0%* | *6,5%* | |
| Services | 15,8 | 15,5 | 1,9% |
| *Services EBITDA margin, %* | *4,4%* | *5,2%* | |
| Other | -25,1 | -21,0 | 19,5% |

| Liquidity and net debt | 2021 | 2020 | Var. (%) |
|---|---|---|---|
| **Total liquidity** | **842,3** | **665,9** | **26,5%** |
| Recourse liquidity | 841,4 | 664,3 | 26,7% |
| **Net debt** | **-318,8** | **83,2** | **n.a.** |
| Recourse net debt | -317,9 | 33,6 | n.a. |
| Non-recourse net debt | -0,9 | 49,6 | n.a. |

| Backlog | 2021 | 2020 | Var. (%) |
|---|---|---|---|
| Short-term | 5.381,0 | 4.505,4 | 19,4% |
| Long-term | 426,5 | 456,7 | -6,6% |
| **Total** | **5.807,5** | **4.962,1** | **17,0%** |

| Number of employees | 2021 | 2020 | Var. (%) |
|---|---|---|---|
| Permanent | 16.195 | 13.933 | 16,2% |
| Temporary | 6.584 | 6.492 | 1,4% |
| **Total** | **22.779** | **20.425** | **11,5%** |

EUR million / employees

# Business lines

## Construction

| Highlights | 2021 | 2020 | Var. (%) |
|---|---|---|---|
| **Revenue** | **2.232,9** | **2.347,2** | **-4,9%** |
| **EBITDA** | **100,5** | **62,2** | **61,6%** |
| Margin, % | 4,5% | 2,6% | |
| **EBIT** | **53,3** | **15,7** | **239,5%** |
| Margin, % | 2,4% | 0,7% | |

EUR m

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

EBITDA reached EUR 100.5 million, leaving an EBITDA ratio of 4.5%, above the 2.6% achieved in 2020 (EUR 62.2 million) and extending the division's upward trend since 2018. The improvement was driven by higher-margin project wins in the pipeline.

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

The main project wins in the period included:

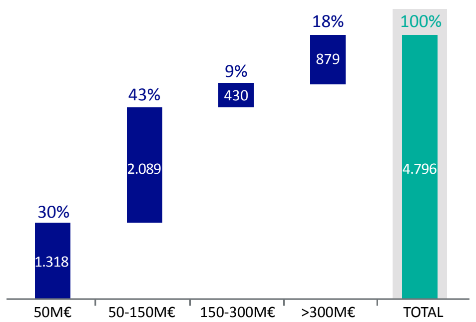
| | Country | 2021 |
|---|---|---|
| I-5 North County Enhancements | US | 321,1 |
| Biobío hospital concession | Chile | 234,9 |
| River defences of the Casma and Huarmey rivers (4th package) | Peru | 140,8 |
| Destination Sport Miami | US | 132,0 |
| Rehab West 79 St. Brdg-Rotunda | US | 127,9 |
| Package R-06 Chicama and Virú rivers | Peru | 96,0 |
| Hs2 S2 West Tunnel | UK | 94,7 |
| I-294. Illinois Roadway and Bridge widening | US | 92,5 |
| Rock excavation and civil works Gullmarsplan | Sweden | 87,2 |
| Office building in Madrid | Spain | 86,5 |
| **Total main contract wins** | | **1.413,6** |
| Other | | 1.664,4 |
| **Total contract wins** | | **3.078,0** |

EUR m

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

| | 31/12/2021 |
|---|---|
| **Main regions** | **99,3%** |
| United States | 45,1% |
| Europe | 33,6% |
| Latin America | 20,6% |
| **Other** | **0,7%** |

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




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

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

| | Country | 2021 |
|---|---|---|
| I-5 North County Enhancements | US | 332,9 |
| South corridor rapid tram main | US | 260,5 |
| Biobío hospital concession | Chile | 229,7 |
| Project I-405 | US | 194,4 |
| Destination Sport Miami | US | 132,0 |
| Rehab West 79 St. Brdg-Rotunda | US | 131,0 |
| River defences of the Casma and Huarmey rivers (4th package) | Peru | 130,4 |
| Design Build Serv Access 8 STA | US | 106,9 |
| I-294 Grand Wolf | US | 96,7 |
| HS London-Birmingham | UK | 96,4 |
| Package R-06 Chicama and Virú rivers | Peru | 93,0 |
| **Largest projects in the backlog** | | **1.803,9** |

EUR m

## Industrial

| Highlights | 2021 | 2020 | % change |
|---|---|---|---|
| **Revenue** | **165,5** | **166,3** | **-0,5%** |
| **EBITDA** | **0,0** | **10,8** | **-100,0%** |
| Margin, % | 0,0% | 6,5% | |
| **EBIT** | **-0,3** | **7,6** | **-103,9%** |
| Margin, % | -0,2% | 4,6% | |

EUR m

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

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

The backlog at year-end stood at EUR 75.8 million[1] (5.5 months of sales), down considerably from December 2020 due to lower order intake in 2021 amid uncertainties among investors caused by soaring raw material prices and international transport costs.

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

## Servicios

| Highlights | 2021 | 2020 | % change |
|---|---|---|---|
| **Revenue** | **361,5** | **300,2** | **20,4%** |
| **EBITDA** | **15,8** | **15,5** | **1,9%** |
| Margin, % | 4,4% | 5,2% | |
| **EBIT** | **10,1** | **8,6** | **17,4%** |
| Margin, % | 2,8% | 2,9% | |

EUR m

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

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

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

*[1] Renewable energy projects account for 90.1% of the backlog.*

# We create value

OHLA
Progress Enablers

We contribute to progress by creating infrastructure that has a positive impact on society. We are *Progress Enablers*

## TRACK RECORD

- More than 110 years of experience
- Completion of emblematic projects that are part of the urban landscape

## GLOBAL PRESENCE

- A key infrastructure player globally
- Stable presence in Europe, the US and Latin America..

## TALENT

- Knowledgeable and experienced team with excellent technical skills
- Exporting talent and engineering to markets

## ADAPTABILITY

- Development of cutting-edge infrastructure for each challenge that arises
- Response to global needs

## SUSTAINABILITY

- Commitment to social, economic and environmental sustainability
- Business model predicated on ethics, transparency and good governance

## INNOVATION

- Over 300 R&D&I projects carried out
- 11 patent families in 28 territories

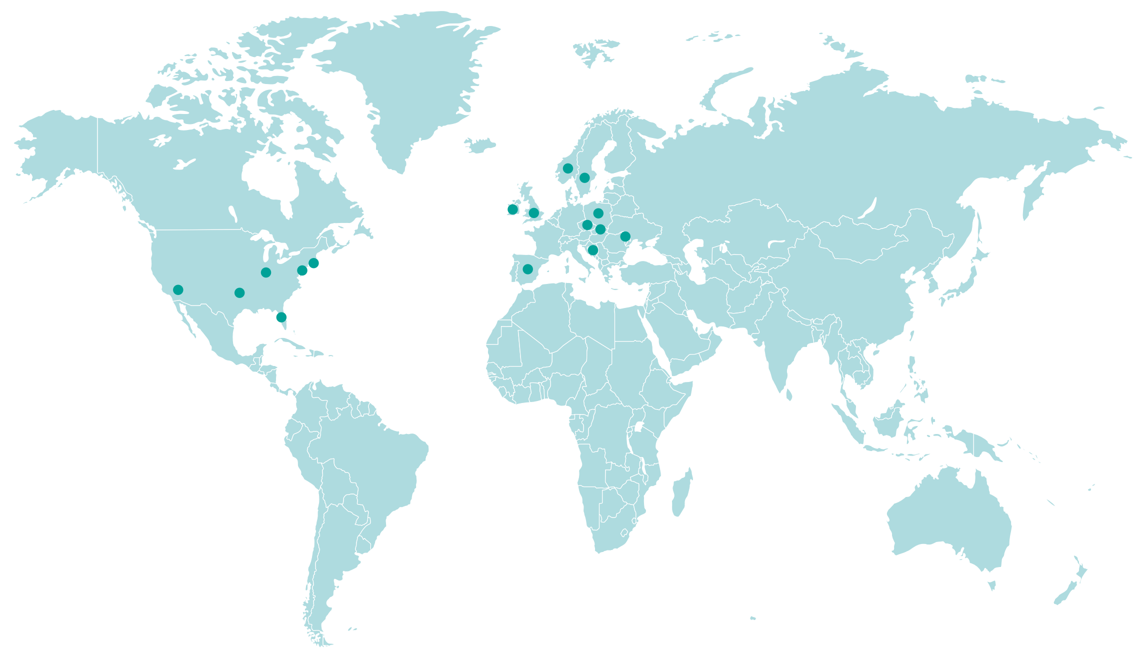
Construction

Industrial

Services

Development

Concessions



**US**
California, Connecticut, Florida, Illinois, Massachusetts, New Jersey, New York, Texas and Virginia.

**Latin America**
Chile, Colombia, Mexico, Peru, Panama and Uruguay.

**Europe**
Bosnia and Herzegovina, Spain, Ireland, Moldova, Norway, Poland, United Kingdom, Czech Republic, Slovak Republic and Sweden.

**€2,778.6m**
REVENUE

**31**
CERTIFIED SUSTAINABLE PROJECTS

**11**
R&D&I PATENTS

**-10,1%**
GHG EMISSIONS INTENSITY*

**19,0%**
USE OF RECOVERED MATERIALS

**2.937,2 MN€**
ECONOMIC VALUE DISTRIBUTED

EUROPEAN UNION TAXONOMY

**85,2%**
ELEGIBLE TURNOVER

**69,8%**
ELEGIBLE CAPEX

**2022**

*Scope 1 + Scope 2/Turnover

# Our strategy



Contrato EPC Ski. Follo Line. Noruega.

# Our strategy

## Business plan and near-term outlook

OHLA's performance in 2021 was a turning-point for the company. In May 2020, a new shareholder acquired the largest single stake in the company. Since then, the firm has undergone a far-reaching operational, financial and strategic transformation. Finally, after five years of losses, the company is back in profit, posting its best EBITDA in five years and achieving a record order intake of close to EUR 3,700 million. OHLA ended 2021 with a total backlog of more than EUR 5,800 million, 17% more than in 2020.

The company shored up its financial position with an equity increase of EUR 180 million and achieved liquidity of EUR 842.3 million, while considerably reducing indebtedness.

What is more, the company achieved these milestones in 2021, its 110th anniversary year, in which it launched its new brand and corporate image.

On 6 July 2021, the Chairman, Luis Amodio, and the Chief Executive Officer, José Antonio Fernández Gallar, unveiled the company's new image to employees and stakeholders. After 22 years bearing name "OHL", the company's transformation was outwardly revealed by this rebranding, with the goal of boosting employees' commitment, reinforcing and enhancing the brand's positioning and recognition in the geographies where the company operates, and strengthening ties with stakeholders.

The new image reflects the brand's new personality through its mission and strategic pillars. OHLA's mission is to build infrastructure that has a positive societal impact and helps the community move forward. To achieve this goal, OHLA will use several levers:

- **Track record and experience.** The company has more than a century of history behind it.
- **Global reach.** OHLA has a global, diversified backlog.
- **Talent.** The company exports state-of-the-art engineering to the geographies where it operates.
- A commitment to **digital transformation** and innovation to build resilient cutting-edge infrastructure.
- **And sustainability**, applying best practices in corporate governance through ethical, and responsible management of the business in line with good governance recommendations.

### Milestones of the year

**EBITDA of €91m**
(+35.1%), best performance since 2016

**€3,696.8m**
Short-term order intake (i.e. 1.3x book-to-bill)

**€5.9m**
Net attrib. profit

**€5,807.5m**
(+11% YoY), back to 2018 levels

- Successfully completed the refinancing and recapitalisation transactions
- Strengthened shareholders' equity and bolstered liquidity (€841.4m*)
- Completed non-core asset disposal plan
- Reduced gross financial debt

**OHLA completed its internal transformation and renovation, with 2021 making the turning point towards a new growth phase.**

** Recourse liquidity at 31 December 2021*

In 2021, OHLA made forward strides that will enable it to lay the groundwork for future growth, such as:

- A profit of EUR 5.9 million in 2021, for a loss in 2020 of EUR 151.2 million. With this return to profit, the company is back in the black for the first time since 2015.
- EBITDA of EUR 91.2 million, 35.1% up on 2020. Our best EBITDA since 2016.
- Best order intake figure of the past five years, with close to EUR 3,700 of new contract awards.
- A total backlog of EUR 5,807.5 million (up 17%), widely diversified by geography and project type. A highlight here is the new concession for the Biobío hospital network (Chile).
- A stronger financial position after successfully completing a refinancing and recapitalisation transaction in June 2021.
- Stronger recourse liquidity, having achieved a total position bolstered by cash generation of EUR 201 million of EUR 841.4 million (EUR 26.7 million more than in 2020), thus confirming an improvement in the business and its margins.
- A short-term asset rotation policy. The company completed the process of disposing of non-core assets to pay down debt with the sale of the Hospital de Toledo and Aguas de Navarra in Spain and the Old War Office in the United Kingdom.
- A steady deleveraging. In 2021, OHLA reduced its gross debt by more than 30% to EUR 523.5 million.

The refinancing and capitalisation of the company involved:

- Reinforcement of capital and reserves of EUR 205.2 million thanks to the successful rights issue in the maximum range, and a reduction in the balance of outstanding notes.
- A EUR 105.6 million reduction in gross debt.
- A four-year extension of debt maturities. 50% of the new note issue will mature in March 2025, and the remaining 50% will fall due in March 2026.

This has enabled OHLA to achieve a robust structure in its financial position with a view to its business plan and future growth.

## Statement of profit or loss

The company far exceeded its goals for the statement of profit or loss in 2021. The highlight figures were:

- **Revenue** of EUR 2,778.6 million, within the expected range.
- **EBITDA** of EUR 91.2 million, surpassing our target of EUR 80 million.
- Total **order intake**, where we were targeting over EUR 3 billion for 2021, of nearly EUR 3.7 billion, which was especially significant given that for two years now we have been in the midst of a pandemic. This order intake ensures higher production in later quarters and supports our goal of raising revenue.

OHLA's key indicators for 2021 are rounded out by a profit of EUR 5.9 million, after a loss in 2020 of EUR 151.2 million.

As to the performance of the business divisions:

- **Construction** achieved revenue of EUR 2,232.9 million, EBITDA of EUR 100.5 million - or 4.5% of sales, which exceeds the profitability achieved in 2020 and shows that the upward trend that started in 2018 remains strong.
- **Services** achieved an increase in revenue of 20.4% to EUR 361.5 million, generating EBITDA of nearly EUR 15.8 million and leaving an EBITDA margin of 4.4%.
- The **Industrial** division ended 2021 with revenue of EUR 165.5 million, in line with 2020. The future development of this line of business will involve intensifying our commitment to renewable energies. The division has therefore formed a new subsidiary, OHLA Energy.

## Statement of financial position

OHLA ended 2021 with total recourse liquidity of EUR 841.4 million, which includes organic cash generation of EUR 201 million from the business, far higher than at any time in previous years.

This liquidity position includes EUR 135.6 million due to the imminent collection of repayment of a loan to our subsidiary Cercanías Móstoles Navalcarnero (Cemonasa), following the agreement reached in December 2021 with the regional government of Madrid. If this amount were stripped out, recourse liquidity would be EUR 705.8 million.

Throughout 2021, within the framework of the company's short-term divestment policy, we completed the disposal of OHLA's stakes in Nuevo Hospital de Toledo, Aguas de Navarra and the Old War Office project.

Subsequently, in October 2021, the signing of the deal to sell OHLA's interest in the University of Montreal Hospital Centre (CHUM) was announced, subject to conditions precedent.

As to the debt position, OHLA ended 2021 with a paydown of more than 30% to EUR 523.5 million, through cash generation and asset disposals. This figure compares favourably with the EUR 749.1 million of debt carried at year-end 2020.

Regarding debt, after the 2021 reporting period, the company announced a further decrease, after allocating the proceeds of the loan repayment from our subsidiary Cemonasa to:

- Full repayment of the ICO-guaranteed loan, which at 31 December amounted to EUR 54.5 million of principal.
- A note repurchase offer for a principal amount of EUR 43.2 million, which is scheduled to be completed by 9 March.

These two transactions will significantly reduce gross debt structure by nearly EUR 100 million versus 2021 figures.

Therefore, during 2021 and the first months of 2022, we were able to reduce debt by around EUR 325 million. Over the course of 2022, moreover, the company will continue to focus on reducing debt to below EUR 400 million using the proceeds of upcoming disposals.





## Outlook for 2022

After more than two years of pandemic and, in 2022, an unprecedented geostrategic crisis triggered by Russia's invasion of Ukraine, with the resulting human and social fallout and global political and economic repercussions, we need to be especially diligent in getting ready to face future difficulties and adapt the company to the new political and economic challenges that will inevitably arise from this conflict.

The infrastructure industry, which in past crises displayed remarkable resilience, faces key challenges that will shape its future development:

- Innovation and digitalisation, as critical value-added elements to create a competitive, sustainable framework.
- Circular construction and a commitment to climate action as a model of resource organisation.
- The powerful effect on the business of commodity price movements.
- Support for public-private partnerships as a vector for growth and social cohesion.
- A people management model based on attracting and retaining diverse and inclusive talent.
- A significant shift in labour costs and the expected financial impact of upcoming high inflation.

To meet these challenges, we have available a range of highly effective levers:

- the EU's Next Generation funds, with an overall endowment of EUR 750 million, and
- the USD 1.2 trillion U.S. infrastructure plan within the Build Back Better agenda, which includes USD 550 billion for civil engineering works, such as roads, bridges, airports and rail systems.

Both programmes aim to relaunch economic recovery, reinforce economic, social and territorial cohesion and move towards a growth paradigm that is greener, more digital and more resilient.

## 2.1.3 OHLA's goals for 2022

Over the past few years, OHLA has achieved a transformation that enabled it to end 2021 with a return to profit. In 2022, the company will work to achieve sustained growth with the goal of creating long-term value and profitability for its shareholders, investors and other stakeholders.

Infrastructure is a lever for a country's growth. Moreover, infrastructure is now set to be driven forward by major endowments in Europe and the United States and infrastructure development programmes in Latin America. However, we must keep in mind the new global geopolitical context in which we are now immersed in 2022.

The company's forecasts are focused on reaching the following targets in 2022:

- Revenue above EUR 3 billion.
- EBITDA in excess of EUR 110 million.
- Order intake above EUR 3,500 million.
- Winning the award of two new concession projects.
- Ongoing debt reduction to below EUR 400 million.

**> €3bn**
of revenue

**2 new concessions**
in regions where the Group has operations

**> €110m**
of EBITDA

**Reduction**
of gross financial debt

**> €3.5bn**
of order intake

# Result by business division

## Construction

For 2021, the Construction division posted revenue of EUR 2,232.9 million. OHLA focused its activity on its three key geographies: North America, Latin America and Europe. Construction revenue accounted for 80.4% of the Group total, with 83.0% made abroad.

## Geographical markets

### North America

North America is one of OHLA's main markets. In 2021, revenue in this geography accounted for 45.2% of total Construction revenue and more than 36.3% of total revenue for the company.

OHLA opened for business in the US market in 2006. Through its subsidiaries OHLA USA, Judlau Contracting, OHLA Systems & Electric, Community Asphalt Corporation and OHLA Building, the company now operates in California, New York, New Jersey, Massachusetts, Illinois, Texas and Florida.

In 2021, the company won new contract awards in the US worth EUR 1,001.7 million. Our initiatives include a diverse backlog of projects, such as roads, bridges, railway infrastructure, tunnels, water works and unique buildings.

The company has earned outstanding recognition and awards. Customers, industry associations and leading publications such as ENR (Engineering News-Record) have hailed our track record in the United States in terms of safety, performance and community improvement through infrastructure projects. We were named Regional Contractor of the Year for 2021 in both California and the Northeast, and for designing and building Patsaouras Plaza Busway Station in Los Angeles won the Best Regional Project award in the Transportation category.

Overall, based on its presence in several construction businesses in the US, OHLA USA places among ENR's Top 15 Transportation Contractors and Top 15 Domestic Heavy Contractors.

#### Main contracts

In California, in 2021 OHLA USA was awarded the largest road contract to expand the capacity of the I-5 highway for 21 km in the city of Santa Clarita and several unincorporated areas of Los Angeles County. Construction work focuses on widening lanes in the northern section of the I-5 highway and creating a new high-occupancy vehicle lane. Awarded by LA Metro (Los Angeles County Metropolitan Transportation Authority) for EUR 321.1 million, this is the largest contract won by the company since 2017, when, tendering as part of a joint venture, it was awarded the improvement of the I-405 highway in California for EUR 1,131.6 million.

Interstate 405 highway, California.

In the same state, the California Department of Transportation (Caltrans) awarded OHLA USA a contract to upgrade a section of California Route 71. Worth EUR 70.9 million, the project will upgrade more than two miles of Route 71 to highway status, adding an additional lane in each direction and eliminating all intersections, which will allow for higher traffic flow between Los Angeles and San Bernardino. The project also includes construction of a southbound auxiliary lane on Route 71.

In addition, we were awarded the EUR 78.1 million Morena Conveyance North project in San Diego. This is one of the many contracts in which our OHLA subsidiary is involved where the overarching goal is to protect water supply and the environment in California.

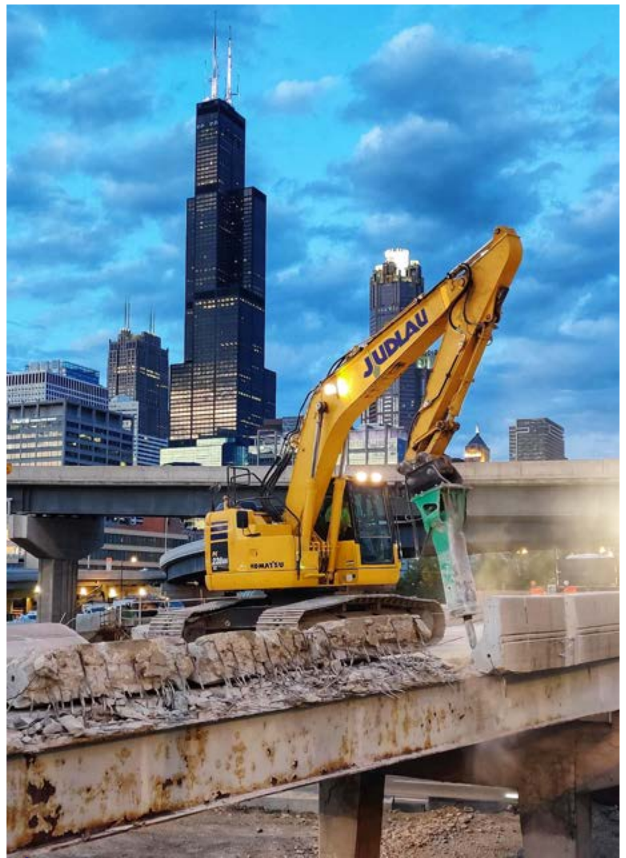
In New York, Judlau Contracting was awarded a new contract worth EUR 127.9 million by the New York City Department of Transportation (NYCDOT) as part of a plan to upgrade and rehabilitate the West 79th Street Rotunda Complex and West 79th Street Bridge over Amtrak rail lines. The rotunda complex is located on Manhattan's Upper West Side and is listed on the National Register of Historic Places.

Judlau also began work on a design-build project to update and upgrade accessibility infrastructure at eight New York City subway stations. Awarded by the Metropolitan Transportation Authority (MTA) for EUR 121.7 million, the project involves installing 17 new elevators at eight stations in five districts of the city.

Architectural visualisation: project to upgrade accessibility at the New York City subway.

Elsewhere, the Illinois State Toll Highway Authority awarded Judlau two major projects. Worth EUR 92.5 million, one project concerns improvements to the I-294 in its three-year Phase I, with the reconstruction and widening of two bridges that cross the Union Pacific Railroad tracks. This contract also covers installation of retaining walls, noise barriers, new drainage and signage systems, and landscaping improvements.

The second project, worth EUR 33.0 million, involves construction of a 679 linear meter retaining wall on the west approach to Elgin O'Hare, south of O'Hare International Airport. The scope of work includes earthwork activities for railroad track construction, drainage, erosion control and fencing.




Jane Byrne Interchange, Illinois.

In Florida, Community Asphalt Corporation was recognised by the Asphalt Contractors Association as the fourth-largest asphalt manufacturer. Over the course of 2021, the OHLA subsidiary produced more than 700,000 tonnes of hot mix asphalt and 22,000 tonnes of cold mix asphalt at its four plants located in Vero Beach, Fort Myers, West Palm Beach and Miami-Dade.

Community Asphalt Corporation's plant in Fort Myers, Florida.

OHLA USA won several contract awards from the Florida Department of Transportation for improvements to the Florida Turnpike and related roads, and from local public transit entities in Miami-Dade County and southeast Florida.

In the same state, our subsidiary OHLA Building, which specialises in unique building projects, was awarded the contract to build Destination Sport Miami, the largest indoor sports facility in North America, for EUR 132.0 million. The new facility will have nearly 80,000 square metres of space, with two ice hockey rinks, a turf field for soccer and football, 18 basketball courts, 36 volleyball courts and 11 tennis courts, swimming pools, event spaces, a pro store, restaurants and cafés.


Architectural visualisation: Destination Sport Miami.

We were also awarded a contract by Rollins College to build the Tiedtke Theatre & Dance Center in Miami, a 1,500-square metre performing arts space that will include a black box theatre.

Architectural visualisation: Tiedtke Theatre & Dance Center, Miami, Florida.

Also in Florida, OHLA USA is executing the South Corridor Rapid Bus Rapid Transit project, worth EUR 310.2 million. The aim is to convert the South Corridor (South Dade Transitway) to Bus Rapid Transit (BRT) by building BRT stations and a parking garage. The project scope comprises 32 km of dedicated roadway between SW 344th Street and Dadeland South stations (adjacent to US-1), Old Dixie Road and Flagler Avenue, and connects five municipalities in South Florida.

Architectural visualisation: South Corridor Rapid Transit in Miami, Florida.

## Ongoing contracts

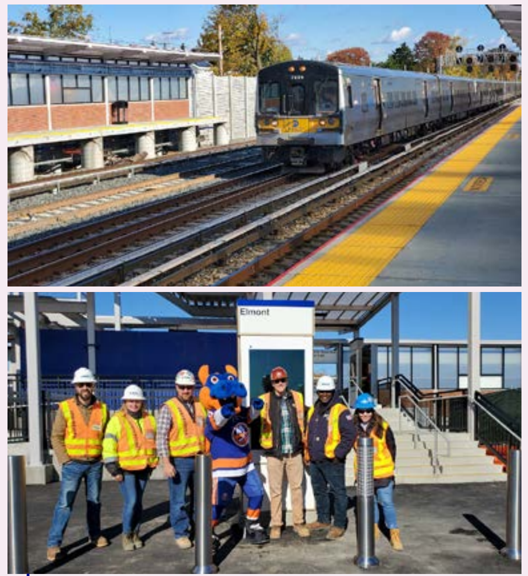
In addition to new contract wins in 2021, OHLA continued to perform several ongoing contracts:

### ELMONT STATION, LONG ISLAND RAILROAD (LIRR), NEW YORK

**Project value: EUR 59.2 million**

Judlau is the contractor responsible for the design and construction of Elmont Station, the first Long Island Rail Road station to be built in the city in nearly 50 years as part of the Belmont Park redevelopment. The project also includes the Belmont Park racetrack and a new arena for the New York Islanders field hockey team.

The redevelopment is compliant with the accessibility requirements of the Americans with Disabilities Act (ADA) and includes amenities such as free WiFi, digital displays, elevators, canopies and charging stations. The first phase of construction launched at the start of the Islanders' hockey season in November 2021, while the second phase of the project is scheduled for completion in 2022.



Elmont Station, New York.

### METRO-NORTH RAILROAD HUDSON LINE IMPROVEMENTS, PHASES I AND II, NEW YORK

**Project value: EUR 202.0 million**

As a partner in a joint venture, Judlau is performing this design-build contract to upgrade the 48.2 km of Metro-North Railroad's Hudson Line. The project involves replacement and retrofitting of power, communications and signalling equipment damaged by Hurricane Sandy, while protecting the facilities from potential future stormwater damage. Construction took place at 92 locations on structural platforms located 1.2 m above Federal Emergency Management Agency (FEMA) floodplain building elevation standards.

### INTERCHANGE AT THE WESTERN APPROACH OF THE I-490 HIGHWAY, CHICAGO, ILLINOIS

**Project value: EUR 75.8 million**

Through accurate planning and execution of the work, Judlau achieved an important milestone in this project by completing the northern section 24 days ahead of schedule. The main aim of the contract is to build an interchange, while also improving the Jane Addams Memorial Tollway (I-90) and the western approach to the Elgin O'Hare Tollway in Illinois. The works include clearing, earth moving, levelling and drainage and building walkways and retaining walls. Located near Chicago's O'Hare Airport, the project will ease traffic and enhance the travel experience.

## I-294 GRAND AVENUE TO WOLF ROAD /I-490 RAMPS S1 AND S2, FRANKLIN PARK, ILLINOIS

**Project value: EUR 135.3 million**

In Illinois, Judlau is performing this major contract for the reconstruction and widening of I-294, also known as the Tri-State Tollway, from Grand Avenue to Wolf Road. The project involves the demolition and reconstruction of four bridges on the Tri-State Tollway and construction of two new bridges, S1 and S2 ramps, at the western approach to the Elgin O'Hare Tollway (I-490). In addition, Judlau will build five mechanically stabilised earth retaining walls and three concrete retaining walls. The project also covers mainline paving, utility relocation, drainage improvements, installation of permanent pavement markings and signage, erosion control and landscaping improvements, and Intelligent Transportation System (ITS) infrastructure.

I-294 widening project, Illinois.

## WATER STORAGE TANK AND FLOW CONTROL AT MISSION TRAILS, SAN DIEGO, CALIFORNIA

**Project value: EUR 25.6 million**

OHLA USA is building a large-capacity water storage tank - 23 million litres - at Mission Trails Regional Park, a popular hiking destination in San Diego. Titled "Mission Trails Regulatory Structure-II", the project covers construction of a flow regulation facility that involves installing large pipes ranging from 2.3 to 1.2 cm in diameter, some of which are made of welded steel and high-density polyethylene. After completion of the water tank and flow control facility, the excavated soil will be returned to its original form so as to preserve the attraction of this nature spot for hikers.

Mission Trails, San Diego, California.

## I-405 IMPROVEMENT PROJECT, ORANGE COUNTY, CALIFORNIA

**Project value: EUR 1,131.6 million**

This order, OHLA USA's largest contract to date in the US, is now 70% complete. In 2021 we achieved key milestones, such as the completion and reopening to traffic of several cross bridges and 60% of lane paving. This project covers the design and fast-track construction of 25 km of two new lanes in each direction of the interstate highway in Orange County. The design-build joint venture, led by OHLA USA, is executing the project for the Orange County Transportation Authority and the California Department of Transportation.

I-405 improvement project, California.

## JACKSON NORTH MEDICAL CENTER, MIAMI, FLORIDA

**Project value: EUR 48.2 million**

OHLA Building is nearing completion of this major contract to expand, renovate and upgrade the 382-bed Jackson North Medical Center in Florida. The project covers upgrades to operating rooms, expansion of the emergency department to improve paediatric, adult and trauma services, construction of a new façade and installation of outdoor lighting. Cosmetic improvements to the restrooms, nursing stations and delivery rooms are also within the project scope.

Jackson Medical Center, Miami, Florida.

## AGAPE VILLAGE, MIAMI, FLORIDA

### Project value: EUR 11.9 million

OHLA Building is the managing firm for this contract for the construction of the Agape Village Health Center. The project will expand the site's current residential inpatient capacity from 62 to 141 beds and covers construction of private accommodations, a specialised health clinic, a daycare centre, an educational centre and common areas. With an area of 430,000 m² to house ten new buildings, the community's Bermuda style architecture provides a peaceful and welcoming atmosphere.

Agape Village, Miami, Florida.

## STATE ROUTE 93/I-75 - SHERIDAN ROAD RESURFACING PROJECT SOUTH OF I-595, BROWARD COUNTY, FLORIDA

### Project value: EUR 6.6 million

OHLA USA is performing milling and resurfacing work on a 9.1 km stretch of road, while also covering infrastructure safety improvements such as guardrails throughout the project.

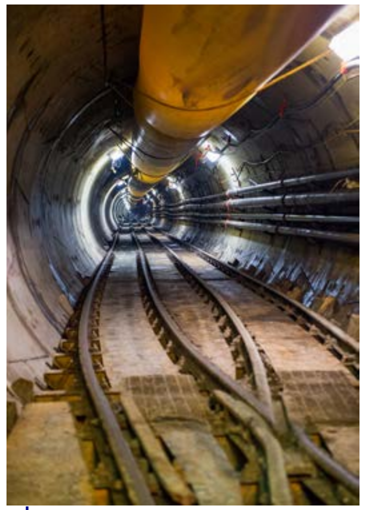
## FROM CALIFORNIA TO NEW YORK VIA ILLINOIS, OHLA'S MAJOR AWARDS IN THE UNITED STATES

OHLA USA achieved major accolades in 2021: The firm received two awards from ENR, the leading industry publication, when it was named Regional Contractor of the Year for 2021 in California (having been the 2019 Contractor of the Year in New York), and won the Best Regional Project award in the Transportation category for designing and building Patsaouras Plaza Busway Station in Los Angeles.

Patsaouras Plaza Busway Station, Los Angeles.

OHLA's New York-based subsidiary, Judlau Contracting, Inc., for its Robert F Kennedy Bridge Ramp to the Northbound Harlem River Drive project (RK-23C) in New York City - completed 50 days ahead of schedule - was the winner of the Design-Build Institute of America's (DBIA) National Award of Merit. The company was also recognised for its work as a general contractor on the project to replace the existing water siphons between Brooklyn and Staten Island, which received ENR's Best Project Award in the Water/ Environment category.

Access ramp on the Robert F. Kennedy Bridge, New York City.



Water siphons, New York City

Pedestrian bridge over the Fox River, Illinois

Judlau's Aurora Pedestrian Bridge project in Aurora, Illinois, was selected as Project of the Year by the American Public Works Association. The subsidiary also received the Urban Improvement Award from the Illinois Department of Transportation, a leading client, for the Jane Byrne Interchange East-to-North Ramp reconstruction project.

### Strong safety record

OHLA is committed to protecting the health and safety of its employees, as recognised by several awards, such as the Sunshine State Award to the Florida Turnpike Project and to the US 27 Highway Project, which also drew recognition from the Florida Department of Transportation for outstanding work zone safety. The Florida Transportation Association Builders gave the company an award for its excellent safety record.

The company signed cooperation agreements with the Occupational Health and Safety Administration (OSHA) and the University of South Florida, with a focus on safety practices in the South Corridor BRT project.

Further safety-related agreements were made with the Mine Safety and Health Administration (MSHA) and Florida International University.

The Florida Turnpike project team win the Sunshine State Award.

## Latin America

OHLA has built infrastructure in Latin America for more than four decades. Specifically, we started to do business in Mexico and then expanded into Chile, Peru, Colombia and Panama. Our combined revenue in these countries came to EUR 355.4 million, i.e. 15.9% of total Construction revenue.

As a highlight in the region in 2021, the company celebrated its 40th anniversary in Chile. Over this period, OHLA completed major infrastructure works and was a central player in public-private partnerships.

As to new orders, OHLA won the concession for the construction and maintenance of four hospitals in the Biobío region, which, together, will be equipped with 569 beds and will benefit a population of 400,000 people.

Elsewhere in the hospital sector, the company completed a major project in 2021, the Curicó Hospital, a 109,152 m² building distributed over nine floors, two below ground level. This is now the largest and most advanced healthcare facility in the Maule region. The hospital, which will serve a population of 288,000 people, is equipped with seismic isolators, twelve surgical wards, five comprehensive delivery rooms, 400 beds, 79 rooms for outpatient consultations and procedures,

10 elevator cores, parking space for 800 vehicles and a heliport for emergency transfers within the Chilean national health network. This highly complex hospital building achieved an excellent score in the course of CES green building certification due to its high degree of energy self-sufficiency and its sustainability and environmental performance parameters.

In its four decades of presence in Chile, OHLA has built eight hospitals in total, which have provided the country with 418,000 m² of built area and 2,865 beds.

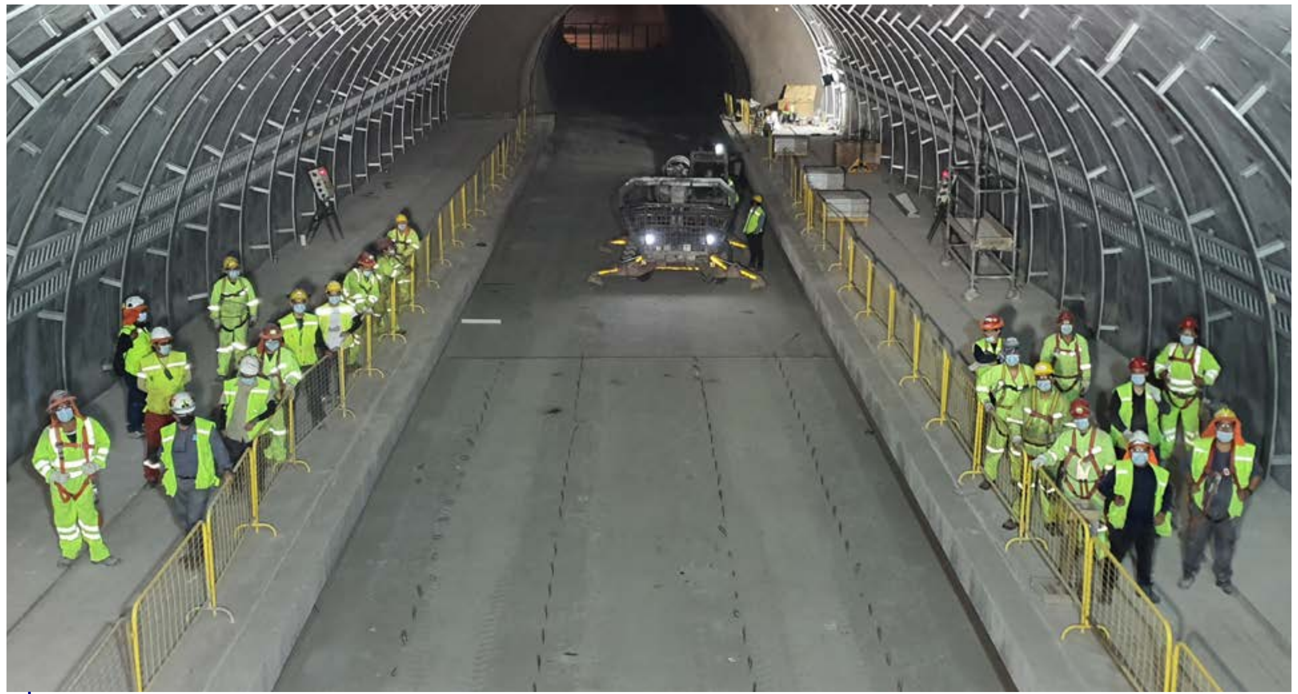
As for other activities in Chile, in the construction of the Américo Vespucio Oriente urban highway in Santiago, one of the largest road complexes in Latin America in which OHLA is involved as a member of a joint venture, the company achieved the milestone of completing the deck of the El Salto viaduct in the district of Huechuraba, which flies over the currently operating highway. The project is 93% complete overall. More than 3,500 people are working on it, in day and night shifts.

With a length of 9.3 km and three lanes in each direction along most of its route, the Américo Vespucio Oriente highway runs through five municipalities - La Reina, Las Condes, Vitacura, Recoleta and Huechuraba - and through a tunnel under Cerro San Cristóbal ridge and the River Mapocho. The new highway will shorten travel time in the east sector of Santiago de Chile and enhance the service level of an arterial route that is currently over-saturated.

In the project to improve line 3 of the Santiago metro, we achieved a new milestone in 2021 with the completion of the last tunnel shaft. The scope of the contract includes construction of the line tunnels, the EFE (state-owned railway) station tunnel, and the civil engineering and finishing of the EFE station. With the completion of the last tunnel, the project reached 60% completion. At the beginning of the year, moreover, the company achieved the meeting of tunnels between the EFE station and the Frei Montalva construction site.

The Line 3 extension project, which comes under the wider plan to expand Santiago's metro network to improve urban transport, covers construction of shafts, galleries, tunnels and stations over a section of more than 700 metres in length. Moreover, on the same metro line OHLA conducted the civil engineering works for shafts, galleries and tunnels of stations and intermediate facilities in sections 5 and 6 over a total distance of 7 kilometres, shafts and galleries in sections 1 and 2, and reinforcement shafts for Franklin station, which combines the current line 2 with line 6. This was a real technical and constructive challenge, as the first underground railway station in Chile built underneath another station while still operational.

The company also performed civil engineering works at Plaza Egaña station and several tunnels on Line 4, the Gruta de Lourdes, Blanqueado and Lo Prado stations on Line 5, and the workshops and depots on Line 6, and reinforcement shares for Franklin Station, which combines lines 2 and 6.



Civil engineering work on Line 3 of the Santiago Metro, Chile.

Elsewhere in civil engineering works, the company completed the widening of 35 km of road in the section between the municipalities of Santiago and Talagante in the project to expand Ruta 78 to three lanes.

In addition, in 2021 we completed the construction of the Laboratorio de Criminalística Central de Chile (PDI), the most advanced forensic analysis lab in South America. The 15,500 m² complex is a reinforced concrete structure resting on seismic isolators to ensure that operational continuity at all times. The building was designed under energy efficiency criteria, with façade enclosures featuring exterior insulation, curtain walls and louvred shutters.

We began work on a new PDI building to replace the old police complex in Viña del Mar, with a total of 6,679.94 m² built area across nine levels, with seven floors above ground and two below ground.


"Lacrim", the new forensic lab opened in Chile in November 2021.

This year, OHLA began construction work on a new forensic medicine facility, a 24,000 m² complex spread over six buildings, accounting for the largest investment ever made by the Chilean Ministry of Justice and Human Rights.

Resting on 185 seismic isolation and seismic sliding devices and equipped with 225 parking spaces, the building will house the different departments of the SML, which so far operated at separate sites: Thanatology, Clinic, Mental Health, Laboratories, Codis (combined DNA index system) and the administrative area.

The new facilities will enable the SML's more than 600 employees to efficiently perform more than 100,000 forensic medicine procedures per year - these services are crucial for the proper functioning of the justice system - in cutting-edge spaces, under better conditions, with superior technology and to the highest technical standards, serving a population of approximately seven million people.

Under the modernisation plan for Chile's forensic medicine establishment, the new headquarters of the SML is located in the "judicial district", nearby the court complex (also built and operated by OHLA), the high-security prison, the former penitentiary and the Santiago Uno remand centre.

Architectural visualisation: new forensic medicine facility (SML), Chile.

### The company's first project in Chile was the construction of the Maule River Canal in 1981

## 40 YEARS BUILDING INFRASTRUCTURE IN CHILE

In the construction field, the company completed major projects on the Ruta-5 and Ruta 60 CH. We also built stations and sections of the Valparaíso metro, Santiago metro lines and other railway works. In the hospital sector, the company built highly complex healthcare facilities, such as the military hospital in Santiago, the Gustavo Fricke hospital in Viña del Mar and the new Curicó hospital.

In the concessions business, uninterruptedly since 2005 the company has provided maintenance, security and cleaning services for the Santiago central court complex, which comprises nine buildings for the judiciary, the public defender's office and the prosecutor's office. Over the years, OHLA has been a major player in concessions in the country, winning major civil engineering projects worth more than EUR 2.5 billion.

Moreover, OHLA has operated in the Industrial business in Chile since 2011. We implemented projects at the BHP Billiton rhyolite crushing plant, and the oxide copper ore crushing, curing and stacking plant of the Codelco Ministro Hales division - the world's largest copper producer. We performed the engineering, construction, conversion, expansion and commissioning of the copper sulphide processing plant of the Mantos Blancos concentrator. Other key projects include the La Huella photovoltaic facility (87 MW), the Coya photovoltaic plant (200 MW) and the La Estrella wind farm (50 MW).

As to the Services business, the company entered the industry in Chile in 2015. In this market, OHLA provides services for CRS Hospital Provincia Cordillera, performs comprehensive maintenance for Clínica Las Condes, cleaning services for Grupo Falabella and cleaning, waste management and comprehensive maintenance for Sociedad Concesionaria Metropolitana de Salud (Hospital Félix Bulnes).

Autopista Américo Vespucio, Chile, one of the largest road complexes in Latin America.

## CURICÓ HOSPITAL CERTIFIED TO CES CHILEAN GREEN BUILDING STANDARD

The new Curicó Hospital successfully certified to the CES Chilean green building standard, with an outstanding score of 74.5 points. This highly complex hospital building achieved its excellent score due to its high degree of energy self-sufficiency and its sustainability and environmental performance parameters.

Throughout execution of the project, OHLA followed energy efficiency parameters such as thermal envelope, ventilated façade, lighting, water savings, landscaping and acoustic insulation, and ensured certification and traceability of all materials used.


Hospital de Curicó, Chile.

In **Peru**, OHLA has contributed to the country's progress by building outstanding infrastructure with a major positive societal impact.

The company successfully completed construction of the Peruvian National Museum of Archaeology (MUNA), which opened in July 2021. It is the largest Peruvian museum and one of the most important in Latin America. Probably the building project that has attracted the largest investment in the country's history, MUNA's purpose is to protect, study and disseminate Peru's immensely rich cultural heritage.

The outdoor architecture of the museum is based on a design reminiscent of the pre-Hispanic past, and is integrated into the cultural and environmental surroundings in which it is sited, an area of more than 75,000 m² within the Pachacámac archaeological zone in the district of Lurín, at km 31 on the old Panamericana Sur road.

Peruvian National Museum of Archaeology (MUNA), Peru.

### Increased hospital infrastructure backlog

In the hospital sector, where OHLA has a track record of more than nine decades, in 2021 we added outstanding projects to our backlog.

The new Sullana Hospital in the department of Piura will have 30,000 m² and will serve a population of 650,000 people. The Pósope Alto health centre, with a surface area of 4,500 m², will serve a population of 62,000 in the district of Patapo, Department of Lambayeque. The Sullana Hospital will have 209 hospital beds, 42 intensive and intermediate care beds, 15 hemodialysis boxes, an obstetric facility, and a surgical core with five operating rooms, diagnostic imaging and 50 consulting rooms.

In addition, also in Piura, the company is improving and expanding the Chulucanas Support Hospital. The works will cover an area of 24,953 m² and provide the hospital with a further 92 hospital beds, 18 consulting rooms, 16 cribs, two operating rooms and a delivery room, among other facilities.

### North Expansion of the Metropolitano

Another major contract award in the country is the Metropolitano (bus rapid transit system) North Expansion project in the Peruvian capital, Lima. Specifically, as a joint venture member, OHLA will carry out the expansion of the northern section of COSAC I from the existing Naranjal station to Chimpu Ocllo Avenue, involving the construction of a 10.2 km-long separate corridor, 17 new stations, a terminal at Chimpu Ocllo and a manoeuvring yard for 120 vehicles.

The project also covers the construction of a wastewater treatment plant, adaptation of more than 180,000 m² of green areas by planting a total of 6,000 trees, and installation of more than 600 LED lighting units, signage, video surveillance cameras and fibre optic cable for road monitoring.

North Expansion of the Metropolitano, Peru.

OHLA's backlog of ongoing works in Peru further includes the design and construction of the river defences of the Cañete, Huaura, Casma, Huarmey, Chicama, Virú and Lacramarca rivers, the construction of the tailings dam regrowth Phase VI and Phase VII, under execution at 4.200 metres above sea level, where the body of the dam has a maximum height of 200 metres, expansion of the Jorge Chávez International Airport, improvements to the Moquegua-Omate-Arequipa highway, and expansion and improvement of the sanitation and drinking water system in the city of Huarmey.

Expansion of Jorge Chávez International Airport, Peru.

## STRONG COMMITMENT TO THE MINING SECTOR

OHLA has a major track record in the Peruvian mining sector through projects for top-tier companies such as Antamina Mining Company, Anglo American Quellaveco, Las Bambas, Yanacocha, Shahuindo (PanAmerican Silver) and El Brocal.

The company has executed massive earthworks, construction of tailings dams and water dams, access roads and haul roads, leaching PADS and water conveyance systems. We also provide concrete and aggregates production services.

At Quellaveco we executed a bypass project involving the construction of 21 km of high mountain road crossing the Asana River valley and the Asana Barrier, a gravity dam that was built using hardfill (low cement-content concrete compacted with a roller), approximately 45.15 metres high and 215 metres long at the crest. At Antamina we started construction of Phase VI and Phase VII of the tailings dam at 4,200 metres above sea level, where body of the dam has a maximum height of 200 metres, while at the Las Bambas mining project we undertook the construction of the Chuspiri dam, made of loose materials.

Chuspiri dam, Las Bambas mining project, Peru.

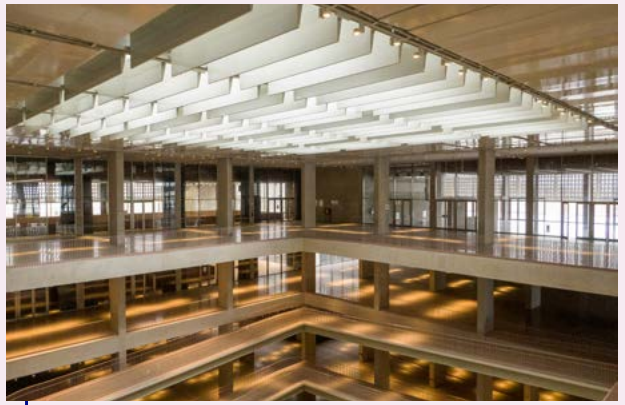
## THE MUNA, BUILT TO SUSTAINABILITY AND INNOVATION STANDARDS

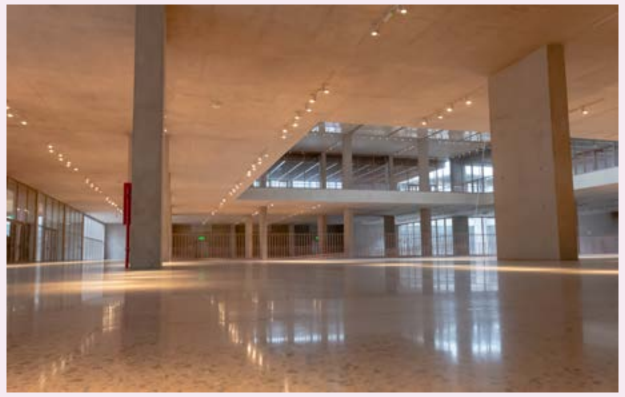
OHLA follows leading sustainability and innovation standards in the construction of its infrastructure. An example of this is the Peruvian National Museum of Archaeology (MUNA).

Executing this project, the company used Lean Construction methods through the Last Planner and Flow Lines tools, which support collaborative planning, and BIM (Building Information Modeling) methods to resolve interferences among the highly complex installations and networks and to provide a virtual reality simulation to the specialists executing the works.

As a pioneer in the use of BIM in the construction sector, OHLA embedded this methodology in its workflow model more than a decade ago.

In Peru, we used BIM methods in major projects such as the Peruvian National Museum of Archaeology (MUNA), the Villa el Salvador sports centre for the Lima 2019 Pan-American Games, the Chulucanas and Sullana hospitals, the Pósope Alto health centre, and several mining projects.





Peruvian National Museum of Archaeology (MUNA), Peru.

In **Colombia**, where OHLA has been present since 2008 in support of the country's economic and social development, we also achieved key milestones this year.

In 2021, the company expanded its backlog with a contract for the construction of a 750-metre-long viaduct at kilometre 58 of the Bogotá-Villavicencio highway, which connects the eastern plains to the central area of the country.

This project is part of a programme of 50 public works to be executed by INVIAS as part of the "Commitment to Colombia" strategy, with a total investment by the Colombian government of EUR 2,573 million (COP 11.5 trillion), creating more than 100,000 new direct jobs and paving 1,660 new kilometres of road, which will improve the living standards of 23 million people throughout the country.

Quindío section of the Cordillera Central crossing: largest road infrastructure in the history of Colombia.

In 2021, we also completed the Quindío section of the crossing of the Cordillera Central, the largest road infrastructure ever built in the country's history, with an overall investment of EUR 650 million (COP 2.9 billion).

Consisting of more than 31 viaducts, 25 tunnels and 3 road interchanges along 30 kilometres of dual carriageway between the municipalities of Cajamarca (department of Tolima) and Calarcá (department of Quindío), the highlight of the project is the La Línea tunnel: with a length of 8.6 km, it is considered to be the longest road tunnel in Latin America. The main aim of the project is to improve the logistics of land transport of passengers and cargo, since 40% of the country's goods are transported along this road corridor and it bears monthly traffic of 18,000 charge vehicles.

Specifically, OHLA built five short tunnels, seven viaducts, a road interchange, a toll station and all the open-cast works along the 8 km corridor, including earthworks, retaining walls, slope stabilisation, paving and signage.

## National Museum of Memory, a symbol of reconciliation

During 2021, OHLA made progress on the construction of the Colombian National Museum of Memory, located in Bogotá and commissioned by the Virgilio Barco national property agency (ANIM). Designed as a tribute to the victims of the country's armed conflict, the building will have exhibition halls, areas for creating and exhibiting artwork, a human rights archive, a documentation facility, a multi-purpose auditorium and spaces for arts and culture activities, distributed over an area of almost 15,000 m² and organised on six floors above ground and a seventh below-ground floor.

National Museum of Memory, Colombia.

## Other major projects

Over the year we made progress on several projects in Bogotá under contracts awarded by the Urban Development Institute (IDU). One project - construction of Avenida El Rincón - involves building 2.8 km of dual carriageway, 2 vehicle bridges, 1 curved bridge, 3 pontoons, 2.4 km of bicycle lanes and 54,700 m² of public space.

Construction of Avenida El Rincón, Colombia.

Another ongoing project for the Urban Development Institute entails the execution of one of the four sections that will make up the future Avenida Ciudad de Cali, with construction of 1.67 kilometres of roadway, two lanes for the Transmilenio bus rapid transit system and two lanes for mixed traffic. In addition, the scope of the project includes construction of a 1.66-kilometre bike path, a bicycle station with berths for 102 bicycles, two new Transmilenio stations and 37,000 m² of public space.

Architectural visualisation: the future Avenida Ciudad de Cali, Colombia.

Avenida Ciudad de Cali Project, Transmilenio station, Colombia.

The company is also executing the first of three phases of construction of the Aeropuerto del Café in the Department of Caldas. The works include moving more than 5 million m3 of earth to a level 80 centimetres above the red elevations of the runway strip, drainage works and adaptation of material deposit sites.

We also made progress in improving 24 km of road between the municipalities of Málaga and Los Curos, in Santander department, and the expansion of the Cúcuta aqueduct, which will improve access to drinking water for the populations of Cúcuta, Los Patios and Villa del Rosario in the northeast of the country.

Aeropuerto del Café (the "coffee airport"), Colombia .

## QUINDÍO SECTION OF THE CORDILLERA CENTRAL CROSSING

### Construction milestones driving Colombia's progress

OHLA's technical team achieved major construction milestones in the Quindío section that completes the Cordillera Central crossing, such as the seismic isolation used in the Yarumo Blanco, Macanas, Nogal Cafetero and Robles bridges, implemented in a high seismic hazard zone where the piers of each bridge required wide differences in length and rigidity. Specifically, for the Yarumo Blanco Bridge, a horseshoe-shaped structure and the longest of the 31 bridges within the scope of the project (643 m), we had to install 20 seismic isolators on 5 of the 10 piers of the structure using a pioneering technique that involves making cuts at the base of the bridge.

In the field of road safety, for the first time in Colombia the company installed a PMH-38 vehicle restraint barrier on the Yarumo Blanco and Nogal Cafetero bridges. This ensures the highest standard of containment required by the project, given the steep slope and the proportion of heavy vehicles traffic along the road corridor.

La Herradura-Yarumo Blanco bridge, Cordillera Central crossing, Colombia.

In **Mexico**, in 2021 the company increased its backlog by winning the contract for the construction of a double cantilever viaduct on section 3 of the Mexico-Toluca intercity train in Mexico City. With a length of 200 m, a central span of 85 m and pier heights of 2 m, the viaduct will link the Conagua-Manantial cable-stayed bridge with the Vasco de Quiroga station.

A technical highlight is that on the horizontal plane the viaduct follows a curve with a minimum radius of 850 m, while the deck is a single-cell reinforced concrete box with a constant width of 11.5 m, a variable edge, and a width ranging between 3.45 m and 5.50 m where it rests on two central columns. These two columns, of rectangular section (4 m x 4.765 m), are lightened with an average height of 26 m and are supported on rectangular footings measuring 11.8 m x 13.6 m, with a cant of 4 m. In turn, the columns will be founded on piles of 1.8 m in diameter and 32 m in depth.

Final connection between the segmental arms and the deck of the approach spans will be achieved by execution of closing segments with the respective columns (ends) of the Vasco de Quiroga station (PK+) and the cable-stayed bridge (PK-).

The company is also completing the construction of section 1 of the Mexico-Toluca intercity train. At 36.7 km long, it runs mainly along viaducts and includes four passenger stations; there are 11 especially long viaducts totalling 32.1 km and 4 km of unpaved railbed. This section starts in the city of Toluca and connects with the western mouth of the Marquesa tunnel.

This project has become a benchmark in Mexico from the technical standpoint. The stations to be built by OHLA are each 200 metres long, for an entry speed of 50 km/h and an exit speed of 150 km/h, and are designed for trains to run at a speed of up to 160 km/h.

As for the layout, eight viaducts are designed with a prestressed concrete superstructure with isostatic spans of double, continuous and mixed tracks, and a substructure of reinforced concrete columns with heights of up to 45 m in V-2 and up to 74.5 m in V-4, with a cantilever-type structural scheme and foundations consisting of footings and piers.

Viaduct 6, Mexico City-Toluca intercity train, Mexico.

Railbed 3, Mexico City-Toluca intercity train, Mexico.

Viaduct 4, Mexico City-Toluca intercity train, Mexico.

In **Panama**, where it has been present since 2020, OHLA's first initiative is the 2.2 km extension of Metro Line 1 to link Panama City to Villa Zaíta. The works will further include a terminal station at the northern end of the line with capacity for more than 10,000 passengers at peak hour.

The company will also build a bus interchange accommodating more than 8,000 passengers and a carpark with 800 spaces. The project also covers widening the Transisthmian Highway to six lanes and a two-tier traffic segment, in addition to pedestrian and landscaping improvements, which will be implemented within the existing bounds of the easement.

Metro Line 1 extension works, Panama.

Metro Line 1 extension works, Panama.

Metro Line 1 extension works, Panama.

## Europe

In the **Czech Republic**, OHLA strengthened its presence in the railway sector by winning a range of major contract awards. The company is involved in the reconstruction of the Vsetín railroad station in Eastern Moravia, a project awarded by the Trans-European Transport Network for an amount of EUR 110 million and one of the largest infrastructure initiatives announced in the country this year. The initiative includes reconstruction of adjacent sections of the Hranice na Moravě-Horní Lideč line in the direction of Slovakia and along about 13 kilometres of track.

Architectural visualisation: Vsetín railway station, Czech Republic.

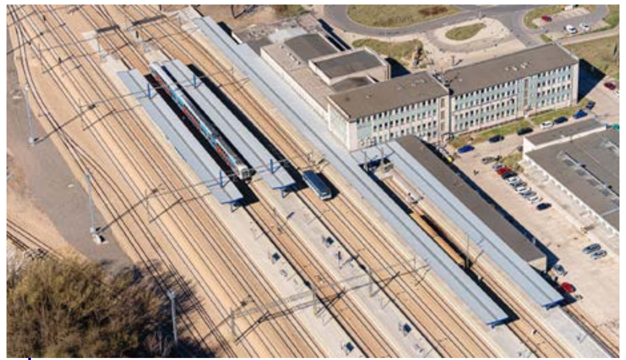
The company was also retained for the reconstruction of the double track of the Adamov-Blansko section of the railway line linking Brno and Prague in the South Moravia region, under a contract worth EUR 100.8 million. Awarded by Správa železnic, the Czech national railway administration, the project covers construction of a stop at Adamov, 3 double-track tunnels with lengths of 105 m, 326 m and 101 m and 2 single-track tunnels of 497 m and 557 m. Under another contract awarded by Správa železnic, OHLA is involved in the modernization of the Libina-Uničov railway line, for EUR 63.5 million, and in the works to extend the Nové Sady- Povel II tram line, for EUR 14.8 million, both in the Olomouc region in the east of the country. Under one of its largest contracts in the country, worth EUR 172 million, OHLA is modernising the Sudoměřice-Votice railway line and last year completed the 5.7 km section of the line from Beroun to Králův Dvůr.

In 2021, OHLA added further projects to its backlog, such as the reconstruction of the main railway station in Pilsen, a listed building dating back to 1908, for a value of EUR 14.8 million, the improvement project for the Čebín distribution company in the South Moravia region, for a similar amount, and the construction of a dry polder in Kutřín on the banks of the Krounka River in the Chrudim region.

In the road sector, the company is working on the extension of the Great Urban Ring Road in Brno, the second largest city in the Czech Republic, under a contract worth EUR 89.8 million euros awarded by the Czech State Directorate for Roads and Motorways.

OHLA has also reinforced its hospital backlog with the EUR 26.5 million expansion of the Nemocnice Chomutov Hospital, including a new emergency ward, operating rooms and an ICU ward. In the building sector, OHLA is in charge of construction of the Institute of Physics (FZU) Research Centre, a division of the Czech Academy of Sciences in Prague.

Sudoměřice-Votice railway upgrade, Czech Republic.



Beroun railway station, Czech Republic.

Nemocnice Chomutov Hospital, Czech Republic.

FZU Research Centre, Prague, Czech Republic.

In **Slovakia**, the company was awarded new contracts valued at EUR 35.2 million for the improvement of the Žilina-Teplička railway section, which connects the northeast of the country with the Czech Republic, through rehabilitation of the Žilina station and surrounding buildings and works on railway superstructure and substructure, platforms and bridges.

Construction of the Hubová-Ivachnová section of the D1 motorway, Slovakia.

In **Spain**, OHLA has major projects in its backlog. One of them is the construction of an office property within the Campus Méndez Álvaro project, which will be the largest office complex ever built in Madrid within the bounds of the M-30 ringroad. Divided into three cores with 58,166 m² of floor space, 7,681 m² of recreational buildings and a production centre with 2,127 m² of facilities, the complex will be built according to cutting-edge sustainability and energy efficiency so as to achieve LEED Platinum certification.

We shall execute the works with a team spirit and the support of the Last Planner System method and Lean Construction principles to establish production plans in an ongoing flow, foster a work environment based on learning and continuous improvement, and promote full understanding of the project by the site team - including subcontractors and suppliers - thus achieving closer integration among all participants.

In the railway field, under several contracts awarded by the Spanish national railway infrastructure managers (ADIF and ADIF A.V.), the company conducts maintenance of infrastructure and track of conventional network Lot 5 (Centre) and Lot 6 (South), and the high-speed networks Madrid Northeast Lot 1 (Brihuega and Calatayud yards), Lot 2 (Montagut, Vilafranca and Sant Feliu yards) and Madrid-South Lot 2 (Hornachuelos and Antequera yards). The purpose of the maintenance work is to inspect the railway platform, support and improve the movement of trains and resolve incidents on the platform and in the superstructure.

Also for ADIF, OHLA is renovating the turnouts of the Madrid-Seville high-speed line, refurbishing station facilities at Parets del Vallés, Granollers-Canovelles, Les Franqueses del Vallés and La Garriga, performing track and electrification work, and conducting maintenance on infrastructure elements pp.kk. 375+305 and 379+750 of the L/800 Monforte-Lugo line, among other contracts.

In 2021, the company accepted projects such as Lot 4 of the Canal de Isabel II supply network pipeline renovation works and continued the ongoing project for the construction, execution and commissioning of the Sinova wastewater treatment plant in Soria, which mainly involves building the outfall tunnel from the mouth of the river Golmayo to the location of the future Sinova WWTP, with an approximate length of 4,950 m.

Elsewhere, in León, the company conducts maintenance and operation of roads, related functional elements and other public services and ancillary works in the LE-02 sector. OHLA was awarded a concession project in the service areas of the AP-7 and AP-2 motorways.

Architectural visualisation: Campus Méndez Álvaro, Madrid, Spain.

## ELSAN SUPPORTS SUSTAINABLE ASPHALT PROJECT TO COMBAT CLIMATE CHANGE

ELSAN, an OHLA subsidiary that provides urban, road and infrastructure services and has expertise in the research and development of asphalts, bituminous mixtures and sustainable road surfaces, is involved in a pioneering project in the Community of Madrid promoted by Alcobendas City Council. The company manufactured asphalt mixes with recycled materials using a lower temperature production technique. These new environmentally sustainable mixes were tested by resurfacing the carpark of the National Museum of Science and Technology (MUCYT) to study their impact on reducing carbon footprint and promoting the circular economy.

Specifically, ELSAN developed two new mixes using aggregate from the milling of aged pavements and steel aggregate from the metallurgical industry to reduce the amount of natural aggregates obtained from fresh quarrying. The solution also helps reduce greenhouse gas emissions through manufacture at a lower temperature, and promotes the circular economy through waste reuse, recycling and recovery with no loss of quality in the final mixture. This pilot, which will test the durability, effectiveness and strength of new mixes developed for use in future asphalt surfacing projects, reflects OHLA's decade-long commitment to nurturing a culture that has enabled it to achieve leadership positions in the transition to a low-carbon economy.

**Sustainable and innovative asphalt mixes**

Besides the Alcobendas initiative, OHLA and ELSAN undertake other research-driven projects to deliver on their commitment to innovation in the field of sustainable road paving and bituminous mixes.

The EU-sponsored LIFE EQUINOX project, aimed at mitigating atmospheric pollution through use of an urban environment pavement that reduces the concentration of nitrogen oxides (NOx) generated by traffic, was tested in the city of Madrid. In addition, the company has developed environmentally friendly, sustainable SMA (Stone Mastic Asphalts) mixes that require less energy in their manufacture and are made of recycled and disused materials, and Pavisost, a draining and sustainable paving material that stands out for its low maintenance, long useful life, and capacity to evacuate water from the roadway efficiently and quickly.

## ALLIANCE OF ENDESA, BANKINTER AND OHLA TO FACILITATE ENERGY REHABILITATION IN RESIDENTIAL COMMUNITIES USING EUROPEAN FUNDS

OHLA, Endesa - through its Endesa X business line - and Bankinter have signed an alliance to launch a "turnkey" solution on the market that includes design and construction, efficient technology and the processing of applications for subsidies so that owners' associations in residential communities can undertake clean-energy rehabilitation of their buildings as effectively as possible. The partnership also helps with access to grants from the Next Generation EU recovery funds. It is estimated that, on average, 30% to 60% of energy consumption can be saved.

Endesa X and OHLA will jointly act as the "rehabilitation partner" and conduct feasibility studies to offer each owners' association the optimal solution from the point of view of energy facilities, construction, energy savings and subsidy eligibility. For its part, Bankinter will manage the finance required to carry out energy refurbishment of residential buildings until aid is disbursed from the Next Generation EU recovery funds. Owners' associations will have immediate access to the necessary finance to undertake the improvements, which, in addition to environmental advantages, will bring significant savings in energy consumption. Finance will be tailored to the needs of each owners' association under attractive market terms.

The alliance is a strong forward step for OHLA, Bankinter and Endesa in their commitment to build more sustainable cities. The partnership will bolster urban development and regeneration with a commitment to more inclusive, safe, resilient and sustainable spaces, as called for by Goal 11, on sustainable cities and communities, of the Sustainable Development Goals adopted by the UN in 2015.

Endesa X, which brings years of experience implementing energy-saving and efficiency solutions, focuses its offering in three areas: energy efficiency solutions to reduce consumption; digital monitoring, optimisation and energy management systems; and clean energy production systems. The firm's high capillarity enables it to provide services throughout the whole of Spain.

OHLA has a track record of more than 110 years of history in the restoration of residential buildings and is an expert in reducing energy costs and enhancing well-being in homes. The company will bring to bear its experience in sustainable construction - in which it is an industry leader - applying sustainability standards through innovative techniques and processes to optimise infrastructure usability and public welfare.

The finance to be provided by Bankinter will take the form of a loan for up to EUR 1 million euros with a maximum term of 12 years. Borrowers will not be required to open a bank account or sign up additional products, and the loan will be formally in effect with the digital signature of the owners' association representative. The contract signing process is simple, one hundred percent online, and with no requirement to sign up additional products. The amount will be available in the owners' association account in less than 72 hours, and monthly repayments will not be higher than the current instalments thanks to the energy savings achieved.

From left to right:

José Antonio Fernández Gallar, CEO of OHLA,
José Bogas, CEO of Endesa and
María Dolores Dancausa, CEO of Bankinter

In **Sweden**, OHLA strengthened its presence with the award of two contracts for the extension of the blue line of the Stockholm metro. The first contract, extending the line from the iconic Kungsträdgården station, involves the construction of two single-track tunnels, a service tunnel, and cross passages, with a total length of approximately 4,500 metres. This section of underground railway is unique in that it is located in the heart of the city, running beneath the city's National Art Museum, the Grand Hotel and the Skeppsholmen island, where the Museum of Modern Art is located, at a depth of approximately 90 metres.

Extension of metro line 1 from Kungsträdgården station, Stockholm, Sweden.

Kungsträdgården station, Stockholm metro Blue Line extension project.

The second contract won by OHLA as part of the Blue Line extension project covers the construction of 2 line tunnels and 1 service tunnel with a total length of 3,100 m, and a completely new 300 m-long station at a depth of almost 70 m below the existing Gullmarsplan transport interchange. The expansion works include construction of a high-speed elevator shaft that will connect the existing transport interchange with the new Blue Line station, ensuring passenger transit between the station and the current Green Line metro stops, the tram line and the bus station.

Blue Line 1 extension works, Stockholm metro: Gullmarsplan station.

Opened in 1950, as the third-largest station in Sweden Gullmarsplan is a major hub for buses, trains and underground railway connecting the city centre to the southern part of Stockholm, and sees a daily traffic flow of 84,000 people. The extension project is scheduled to be completed in 2025.

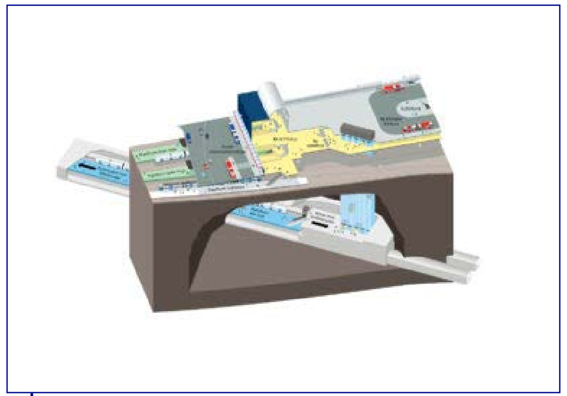


Illustration of the different levels of the Gullmarsplan metro station. Image courtesy of the Region of Stockholm.

OHLA entered the Swedish market in 2017 with the award of the EUR 295 million project to upgrade the existing line between Lund and Arlöv (Malmö), one of the busiest rail routes in Sweden. In a joint venture with NCC, the company won both this project, which will increase daily traffic to 200 trains per day, and the extension of the railway section between Lund and Flackarp in Skane, both contracts being awarded by Trafikverket, the Swedish transport authority.

As part of this project, in 2021 OHLA performed the installation (launch) under the busy E6 motorway of the heaviest bridge moved to date in Sweden, at close to 9,000 tonnes. The new infrastructure will expand the railway platform with the four new train tracks that are part of the project and are currently under construction.

Lund-Arlöv project, Malmö, Sweden.

In **Norway**, the company continued to make progress on the EPC SKI (Oslo) railway contract within the Follo Line high-speed rail project that will link Oslo with the municipality of Ski. We successfully achieved all scheduled milestones.

Ski railway station, Norway.

In **Ireland**, the company completed construction of the National Forensic Mental Health Hospital (NFMHS) in Portrane, north of Dublin. The new hospital complex, comprising ten buildings and 24,000 m² of floor space, was built in accordance with the standards specified for a "Very Good" rating under the BREEAM sustainable construction certification, using the Building Information Modeling (BIM) methodology. As part of the St. Ita's Hospital campus, the complex has ten hospital wards, a primary health care and therapy centre, and a management precinct with buildings for energy production, maintenance and horticulture, among other facilities. The campus is a high-security facility protected by a perimeter fence, 2 km long and 5.2 m high.

In 2021, OHLA worked with the client, the Health Service Executive, to provide temporary access and keep most of the buildings operational as an emergency measure to allow for patient treatment during the Covid-19 pandemic.

The company delivered 465 sustainable social housing units (110 flats and 355 houses) in the counties of Cork, Kildare, Clare, Galway, Waterford and Roscommon. Here the company also applied the Building Information Modeling (BIM) methodology and, in addition, Nearly Zero Energy Buildings (NZEB) criteria in compliance with the requirements of the Energy Performance of Buildings Directive (2010/31/EC).

Sustainable housing project, Ireland.

National Forensic Mental Health Hospital (NFMHS), Portrane, north of Dublin. The project was certified to BREEAM, a leading sustainable construction standard, and rated "Very Good".

## BUSINESS PERFORMANCE

In 2022, OHLA will continue to reinforce its presence in its three key geographies: the US, Latin America and Europe.

In the US, the new federal plan for investment in infrastructure and the bright prospects for growth in North America allow us to be especially optimistic. OHLA's position in this market is already strong, as reflected in the rankings of the widely respected trade publication Engineering News-Record (ENR), which place OHLA USA among the top 15 contractors in the civil engineering and transportation categories.

In Latin America, plans for post-pandemic recovery envisage significant funding for infrastructure investment, which will be an engine of growth for the region. According to the Inter-American Development Bank (IDB), the pandemic has laid bare that, despite the progress achieved over the past two decades, Latin America and the Caribbean still face a range of economic, social and environmental challenges. Based on proportional investment effort relative to the size of the economy, each year until 2030 the region must invest at least 3.12% of its GDP in infrastructure. This scenario opens up attractive opportunities for major infrastructure groups with a significant presence in the region, such as OHLA.

In Europe, the Next Generation EU funds, a EUR 750 billion endowment, will support new, more resilient infrastructure projects in aid of balanced growth and the green and digital transitions.

OHLA is therefore now focused on greener, cleaner and more resilient infrastructure and is committed to technical innovations and digital tools in its construction processes. We work to energy efficiency standards through data integration and analytics, streamlining decision-making and digitalisation in construction work and services to move towards sustained global growth.

## Industrial

For 2021, revenue from the Industrial business came to EUR 165.5 million, in line with the year-earlier figure. EBITDA was close to zero, due to the downward correction of earnings from three projects executed in Chile during the pandemic: La Huella photovoltaic plant, La Estrella wind farm and the Mantos Blancos mining project.

The distribution of revenue by business line was:

### BREAKDOWN BY BUSINESS AREA

| | |
|---|---|
| **Renewables** | EUR 96.1 million (58.1%) |
| **Mining & cement** | EUR 50.6 million (30.6%) |
| **Fire-fighting installations** | EUR 13.4 million (8.1%) |
| **Other** | EUR 5.4 million (3.2%) |

### REVENUE: BREAKDOWN BY COUNTRY

| | |
|---|---|
| **Spain** | EUR 92 million (55.6%) |
| **Chile** | EUR 67 million (40.5%) |
| **Other** | EUR 6.5 million (3.9%) |

## Project backlog

In the renewable energy business, we launched four new projects in 2021:

- La Coya 200 MW PV plant in Chile.
- La Huéneja 150 MW PV plant in Granada, Spain.
- Olivares 50 MW PV plant in Jaén, Spain.
- Los Llanos 150 MW PV plant in Badajoz.

The company now has a backlog of 550 MW under construction.

150 MW photovoltaic plant, La Huéneja, Spain.

In the mining and cement area, we completed the construction and commissioning of the Mantos Blancos project, which is now in the ramp-up phase prior to commercial operation.

As to corporate actions, in 2021, OHL Industrial Mining & Cement was merged out of existence into OHL Industrial, S.L. to streamline the corporate structure and achieve organisational synergies.

We expanded the fire-fighting business line (CHEPRO) with a new activity, security systems, to be operated alongside our traditional activities (active, passive and textile fire protection); a vehicle traffic capacity monitoring business will be added shortly.

## New projects and outlook

Although 2021 - especially the second half of the year - saw only a modest order intake due to the slowdown in the launch of new projects caused by the rise in raw material costs, we are confident that during the first quarter of 2022 we will be able to launch a large number of projects with strongly positioned bids.

We are still gaining market share in renewable energy, and the company is present in several business contract modes: development, construction (full EPC and BOS: Engineering Procurement and Construction and Business Operating System) and operation and maintenance. Geographically, we submitted bids in Spain, Chile, Colombia and Peru.

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

In fire protection, we aim to double our revenue within four years. We will accordingly continue the geographic diversification of EPCM projects and launch two new activities: security systems and vehicle traffic capacity measurement systems.



## SUCCESS STORY

SELF-PROPELLED HOPPER.
AZSA-AVILÉS, ASTURIAS, SPAIN.
**Date: 2021**

In the Mining & Cement division, OHLA built a self-propelled hopper with a capacity of 180 t and a height of 15 m to unload material transported by ships and deposit it on the conveyor belt line of the Port of Avilés. Designed with state-of-the-art technologies and featuring large size, high working capacity and an anti-collision system, the hopper is an independent piece of mobile equipment that autonomously moves through the several holds along a ship's hull.

The hopper's product discharge flow rate can vary, so it regulates the discharge area it slides over in response to the inclination of the side walls, which form an inverted pyramid structure whose design adapts to the material and its adherence.

To locate the product within the hopper and unload it from the ship, a grab-type accessory of the port crane is used, and from there, by means of a conveyor belt, the product is transferred to the facilities designated by the client within the Port of Avilés.

### Sustainability and environmental benefits

We analysed clients' practices and processes in transporting material from ships berthed along the port to identify improvements that would bring economic savings and also sustainability benefits for stakeholders.

Unlike other equipment in its class, mostly equipped with combustion engines, the self-propelled hopper is driven by a hydraulic engine, thus **reducing atmospheric emissions, noise pollution** and diesel consumption. From the standpoint of **energy efficiency**, all installed lighting systems are energy-efficient thanks to the use of LED lights.

The hopper helps to optimise the job in hand because, being mobile and autonomous, it **improves logistics and transport** of material within the port, while its large capacity minimises repetition of unloading operations, enhances **route selection efficiency** throughout the port complex, improves costs, lowers emissions, and reduces risks to humans. The hopper can be controlled and managed from the Port Control Centre using Wi-Fi communication.

The autonomy of the self-propelled hopper **reduces the need for auxiliary infrastructures** and even allows for eliminating existing infrastructure that implies higher consumption, emissions and impact on the environment, such as fixed hoppers, rail systems on the ground, or assembly of structures or moving belts.

The hopper is designed with an oil collection and deposit system that avoids the **environmental impact** on the host facility and the marine environment that would otherwise be caused by spills from hydraulic systems, while reducing dust in suspension through adaptation of the access-loading mouth and a perimeter design that shields the entire piece of equipment with sheet metal.

OHLA self-propelled hopper at the Port of Avilés, Asturias, Spain.

Figure 3. Example of permanent facilities at a similar port, with hoppers close to ship holds and fixed conveyor belts.

## SUCCESS STORY

CIRCULAR ECONOMY AND SOCIAL ACTION IN THE FRAMEWORK OF THE LA HUELLA PHOTOVOLTAIC PLANT.
COQUIMBO REGION, CHILE.

**Date: 2021**

The Industrial division has a backlog of solar photovoltaic plants, mainly in Chile, Mexico and Spain.

Clean energy generation avoids thousands of tonnes of carbon dioxide emissions into the atmosphere. For example, a 100 MW renewable plant avoids more than 150,000 tonnes of carbon dioxide per year compared to other generation technologies. At the La Huella project, located 50 kilometres from the town of La Higuera, province of Elqui, Coquimbo Region, Chile, as an immediate response and commitment to the community, we started a campaign to donate recyclable materials to the local population for reuse in building and crafts.

### Creating local jobs

In the context of building La Huella and the rest of OHLA's projects, we support the social inclusion of a range of population groups in coordination with public bodies, such as municipalities, employment offices and other entities, and by hiring employees locally. We also retain local suppliers, which enables us to boost the economy and promote the progress and well-being of the project's host communities.

### Environmental actions

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

As to the **circular economy and support for local communities**, the company donated the wood felled in the course of construction of La Huella for local people to build huts and warehouses and make chairs, tables and even decorative objects in the local cultural setting.

Building huts with reused wood.

Donating wood.

Decorative structures made with reused wood.

## Services

The company's performance was shaped by an internal challenge: a shift in the enterprise resource planning (ERP) system in place at Ingesan, the division's parent company. The change is part of our Digital Transformation of Services strategy, which places us among the most advanced companies in the industry and, in 2021, in a leading position according to Gartner's Magic Quadrant, a market research tool that pinpoints a company's degree of innovation and its sector positioning.

The division strengthened its structure by opening of a new regional office in Spain to better serve customers in the Northwest area; reinforced strategic areas related to the digital transformation process underway since 2018; and decentralised corporate tasks.

By segments, **building cleaning** continued to feel the effects of the Covid-19 pandemic, with an increase in the cost of products and materials due to higher commodity and energy costs, which continued to affect Ingesan's operations.

The **social and healthcare** segment saw some recovery but is still below pre-pandemic levels. The field of elderly care continues to grow – currently, around 19% of the Spanish population is over 65 years old. This figure will increase to 25% over the next decade and to 38% by 2050, according to a report by the System for Autonomy and Care for Dependency, based on data from the Spanish national statistical institute, INE.

Governments are aware of this trend, so, from an economic perspective, the budget for elderly care rose by 34% for 2021 to reach EUR 2,345 million. In its budget for 2022, the Spanish Government allocated a further EUR 600 million to elderly care, making for an increase of 23%.

In the **maintenance and energy efficiency** business, we saw a recovery in expenditure and infrastructure improvements, and the situation has returned to normal with respect to last year. This is the case, for example, for installation of air quality equipment and workspace refurbishment.

We also saw a rise in tenders for energy service contracts in public lighting and buildings, which suggests there will be even more new tenders in 2022 and beyond.

In the urban services sector, we saw a recovery in integrated waste management in terms of collection, transportation and treatment, but are still below pre-pandemic figures. We expect major changes in the sector as a result of the scheduled passage in 2022 of a Bill on waste and contaminated soils and a draft Royal Decree on packaging and related waste, which are currently being reviewed by the Spanish national parliament.

The **street cleaning** and urban green area maintenance business has gradually increased.

## Services business

Services revenue increased by 20.4% in 2021 to EUR 361.5 million, with growth led facility management (20%), healthcare (35%) and urban services (10%).

In **building cleaning**, we achieved 26% growth, winning new contracts in our focus areas, transport and healthcare.

In the **social and healthcare** segment we achieved a 36% increase on 2020 revenue, with major new contract awards in management of nursing homes, home help and daycare centres: with this significant improvement, Ingesan cemented its growth strategy in a target segment.

In **maintenance and energy efficiency**, revenue grew by 7%, and we won new contracts for energy-efficient lighting and maintenance of hospitals and government buildings. One of the flagship projects this year involved installation for a leading retail client of indoor photocatalysis air purification equipment in more than 400 shops. This pioneering solution in Spain entailed a major deployment that enabled us to complete the project in only six months, including installation and design engineering.

The **urban services** business grew by 10%, with increases in street cleaning and gardening revenue for repair of damages caused by Storm Filomena in Madrid. In this sector, a key growth driver was entering the hospital waste treatment business through our subsidiary Inizia, controlled by Ingesan and located in Valencia, with a treatment capacity of up to 3,650 t per year of type III waste (special pathological and/or infectious waste).

### International activity

In Chile we saw some growth, with a 10% increase in revenue, or EUR 17.8 million, as the effects of the pandemic and the impact of social and political movements took place with a certain delay in the local economy.

In Mexico, the company increased revenue thanks to the start-up of contracts tendered in 2020, but this progress did not lead to improved profitability.

EBITDA in the Services business amounted to EUR 15.8 million euros, very much in line with the EUR 15.5 million in 2020. These figures highlight the significant growth in revenue and profitability achieved in 2020. The negative contribution from Mexico and the increase in overheads prevented the division from maintaining its profit margins.

## Order intake and backlog

The gradual upswing in the economy has enabled us to recover the pace of bidding after the drop seen in 2020 as a result of the government paralysis caused by the lockdown. In terms of order intake, the company achieved EUR 479.0 million in 2021, up 43.8% from 2020, which increased the backlog by 29% to EUR 509 million, the equivalent of 17 months of sales, up from 16 months of sales in 2020.

## Order intake in 2021

Servicios dispone de una cartera con más de 500 contratos en The Services division has a portfolio of more than 500 contracts in force. New contracts for 2021 across the different lines of business include:

### Cleaning of buildings and facilities

- Cleaning service for stations, trains and facilities of the Barcelona Metro, Spain, Lots 1 and 4. Budget: EUR 44.2 million.
- Cleaning service for Madrid Metro rolling stock, Lot C, Spain. Budget: EUR 9.8 million.
- Cleaning and Covid-19 disinfection service and baggage trolley management at Alicante, Almeria and Jerez airports, Spain. Budget: EUR 7.6 million.
- Cleaning service, ancillary services, supply of consumables and accessories and auditing of health centres managed by the Health Department of the Conselleria de Sanitat Universal y Salud Pública de Valencia: Malvarrosa, Requena, La Plana, Alcoy, Castellon and La Ribera, Spain. Budget: EUR 30.6 million.
- Comprehensive cleaning and related services in government buildings and judicial offices in Castilla y León, Cantabria, Basque Country, Navarra, Galicia, Asturias, Aragón, Catalonia, Valencia, Murcia, Andalusia and Extremadura, Spain. Budget: EUR 13.4 million.

### Social and healthcare

- Management of the elderly care centre, Mirasierra residence and daycare facility, Madrid, Spain. Budget: EUR 14.3 million.
- Virgen de Peñarroya residence, Argamasilla de Alba, Ciudad Real, Spain. Budget: EUR 2.7 million.
- Home help service, local council of Grado, Asturias, Spain. Budget: EUR 1.1 million.
- Management of serviced housing for the elderly, Barcelona City Council, Spain. Budget EUR 0.9 million.
- Management of Montaverner daycare centre, Valencia, Spain. Budget EUR 0.9 million.
- Management of the home help service in the municipality of La Malahá, Granada, Spain. Budget: EUR 0.85 million.

### Maintenance

- Concession for services consisting of renovation, energy supply and maintenance of public lighting in the municipality of Cudillero, Asturias, Spain. Budget: EUR 4.4 million.
- Comprehensive maintenance of facilities in government buildings and judicial offices assigned to the territorial management bodies of the Ministry of Justice. Castilla-León and Extremadura, España. Budget: EUR 4.0 million.
- Maintenance of air conditioning, plumbing, natural gas, sanitation and fire protection pressure generator, Hospital de Ciudad Real, Spain. Budget: EUR 1.1 million.
- Comprehensive maintenance of facilities of the integrated care office, municipality of Alcázar de San Juan, Ciudad Real, Spain. Budget: EUR 2.7 million.
- Maintenance of judicial office buildings of the Xunta de Galicia, Spain. Budget: EUR 1.4 million.
- Maintenance of the Fundación Cidade da Cultura de Galicia, Santiago de Compostela, Spain. Budget: EUR 1.6 million.
- Maintenance of the Hospital General de Alicante, Department of Health, Generalitat Valenciana, Spain. Budget: EUR 1.7 million.

### Urban services

- Cleaning service for public spaces, Lot 2, Madrid City Council, Spain. Budget: EUR 62.2 million.
- Waste containerisation, collection and transport, Lot 2 East, Madrid City Council, Spain. Budget: EUR 19.05 million.
- Waste collection and street cleaning, Navalcarnero Local Council, Madrid, Spain. Budget: EUR 7.0 million.
- Maintenance, conservation and improvement of green spaces, Navalcarnero Local Council, Madrid, Spain. Budget: EUR 4.5 million.
- Comprehensive conservation of beaches, Marbella, Spain. Budget: EUR 2.4 million.
- Fire hydrant maintenance service, Lot 2, Madrid City Council, Spain. Budget: EUR 1.3 million.
- Fountain maintenance service, Lot 2, Madrid City Council, Spain. Budget: EUR 1.2 million.

## Outlook

The world is undergoing a time of uncertainty. The global economy, hit by geopolitical stresses and supply chain disruptions, is likely to remain highly volatile.

High inflation hurt profits for 2021 due to the rising prices of commodities and energy, but the heaviest impact will be felt in 2022 when inflation knocks on to salaries, which account for most of Ingesan's costs. However, higher prices cannot be passed on immediately to clients - mainly government bodies - due to the absence of price review clauses, as a result of Spain's Ley de *Desindexación*, a statute that bans price reviews pegged to inflation in any transaction involving prices set by or agreed with a government body.

Despite this uncertain scenario, we estimate that in 2022 the growth rate of recent years will be sustained, with an improvement in our cash position.

## Back-office operational efficiency

### EFICIENCIA EN LAS OPERACIONES DE *BACK OFFICE*

The company completed digitalisation of its back office by implementing a new ERP in the cloud (Oracle Cloud) that streamlines and automates financial and purchasing processes, eliminating repetitive tasks and providing robust information for decision-making. A highlight in this context was the digitalisation of employee records to save paper and save management time.

## DIGITALISATION IN SUPPORT OF PEOPLE

The Services division moved forward in its digital transformation process as a strategic vector to sharpen our competitive edge while finding a new way to provide services in a sustainable manner.

The division's 2021-2023 Digital Transformation Strategic Framework clusters around three transformation vectors, with innovation as a lever. Our strategic plan was recognised with an award from Forética, the benchmark business organisation for sustainability in Spain, as part of the Jobs 2030-Future of Work project, and forms part of a roadmap that compiles key initiatives in terms of their impact, results and potential to contribute to a fair and just transition to a people-centred future of work.


Nuria Fuentes, Ingesan's Head of Systems and Digital Transformation, accepts the award from Forética.

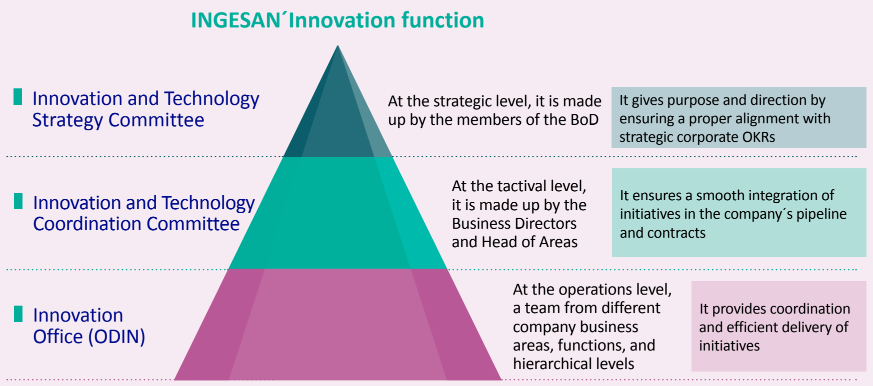
## INNOVATION GOVERNANCE MODEL

As to our innovation governance model, we devised a systematic process of exploration and ongoing improvement to elicit new ideas and undertake pilot projects aimed at creating value for the company and its business units.

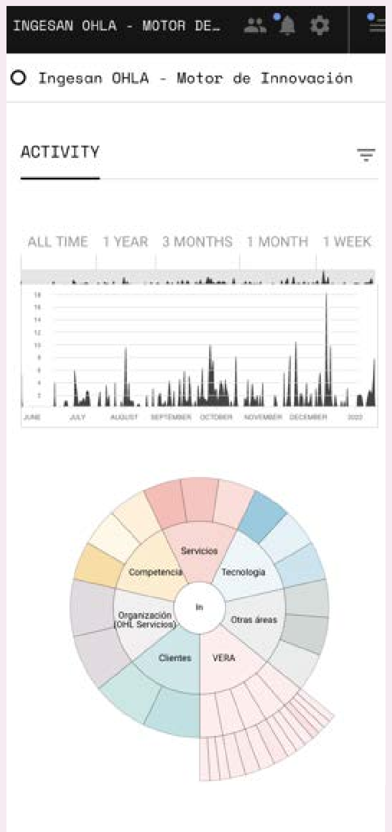
As a tool for driving innovation and incubate fresh ideas, Landscape Monitor, under the governance of the ODIN (Open-Digital-Industrial and Networking) innovation office, applies a lean start-up method to select the most promising initiatives to be taken further.

Chosen initiatives are developed interactively using Agile methodology and tested on end users through sandboxes operating at several municipalities.

In 2021 we considered more than 240 initiatives and we launched four new innovation clusters, which now operate alongside our existing entrepreneurship and growth cells.




*Three decision levels of Ingesan´innovation function*




## AN ONGOING COMMITMENT TO DIGITALISATION

Throughout 2021, we conducted a survey of technologies available on the market and their level of maturity within Ingesan to plan innovation programmes, by business line and horizontally, to be implemented over the next two years in order to improve the services we provide.

In our facility management business we carry out projects applying BIM (Building Information Modeling) technology and conduct pilots combining BIM with a "digital twin" alongside existing management tools in the areas of operation, maintenance and health and safety.

At the same time, in 2021 the division stepped up its commitment to technology-driven services by introducing new tools for digitalised management of operational processes. Use of new technologies also creates an opportunity for us to strengthen cooperation with clients and enhance interaction with the public.

## VERA, A NEW SOCIAL SERVICES PLATFORM

In the social area, the company developed its own social services platform that aligns Ingesan's experience in social and healthcare services with users' needs.

Vera technology is proprietary. The tech is registered with Safe Evidence, which combines qualified time stamps with advanced electronic signature with blockchain technology to offer full security and legal backing.

Vera was developed to the highest standards within Ingesan's R&D Management System, certified to UNE 166:002:2014 (ES14/15462): Research,

Development and Innovation in: digitalisation, technology, techniques and systems for processes, equipment, methodology and management applied and developed in urban services, maintenance, energy services, cleaning, social and healthcare and building works, in buildings and on public thoroughfares.

## A SOCIALLY RESPONSIBLE COMPANY

In 2021, Ingesan adopted its Third Equality Plan, which runs until 2025 and sets out 13 areas of action and 83 measures to address gender inequalities.

Effective equality of opportunities between women and men is a priority within the framework of the company's general policy, as part of its Corporate Social Responsibility commitment.

OHLA earned recognition from Fundación Integra as a socially committed company by employing - mainly through Ingesan - more than 700 vulnerable people at risk of social exclusion.

Most of these hires benefited women victims of gender violence, in line with Ingesan's express commitment to this vulnerable group, as continuously reflected in the company's equality plans.

- Làbora Seal, awarded by Barcelona City Council, Spain, in recognition of the commitment to the inclusion of vulnerable groups in the labour market.
- T de Trans Award, granted by the Mayor's Office of San Pedro Alcántara, Marbella, Spain, in recognition of labour inclusion of the transgender community.
- Awards and recognition from the Spanish Red Cross in Granada and Huelva, Spain, for the company's commitment to the labour inclusion of people at risk of exclusion.

### COMMITTED TO BEST PRACTICES

Ingesan delivers on its commitments and uses best practices, and thus renewed the following certifications that assure the high quality of its activity:

- IISO 45001: 2018 Occupational health and safety management systems
- SA 8000: Social responsibility.
- Model EFR 1000-1 certificate in work-life balance: family-responsible company.
- R&D Management System certified to the UNE 166:002 standard.
- Certification of action protocols facing Covid-19 at offices.

### INGESAN LAUNCHES A WORK-FROM-HOME PILOT PROJECT

In 2021, Ingesan launched a work-from-home pilot project for its workforce in Spain. This voluntary initiative, set in motion in December, allowed participating employees to work from home one day and three hours a week. The company provided the necessary technical resources.

With this initiative to promote remote work on individual tasks, the company leverages opportunities offered by technology wherever the relevant systems, processes and resources allow.

Ingesan's goal is to adapt to new business needs and boost productivity by creating attractive work settings for employees in a collaborative and accountable culture, which at all times heeds the current situation and the evolving situation of the pandemic.

## Concessions

In 2021, through its company Senda Infraestructuras, S.L., OHLA continued to bolster its infrastructure concessions business, focusing on greenfield projects in the three geographic areas where we have a stable presence: Europe, Latin America and the United States. In these geographies, we continued to explore alliances with local builders and financial partners.

### Projects in 2021

In Ireland, we completed the construction and commissioned the **Social Housing Bundle** project for the operation of 465 new sustainable social housing units, for an investment of over EUR 130 million.

In Chile, the Ministry of Public Works has awarded us a construction and maintenance contract for four hospitals in the Biobío region, with an investment of close to EUR 290 million over the next 19 years. The four hospitals, with a total surface area of 133,457 m², will provide 569 beds to the health system and serve a population of more than 400,000.

### Disposals

In 2021, as part of our policy of rotating out mature concession assets, we undertook the sale of our stake (33.3%) in the concession company and operator of the **Nuevo Hospital de Toledo** for EUR 75 million, and our stake (65%) in **Sociedad Concesionaria Aguas de Navarra** for EUR 26 million. We entered into an agreement for the sale of our 25% stake in the **Centre Hospitalier de l'Université de Montréal** (CHUM) in Canada for EUR 55 million.

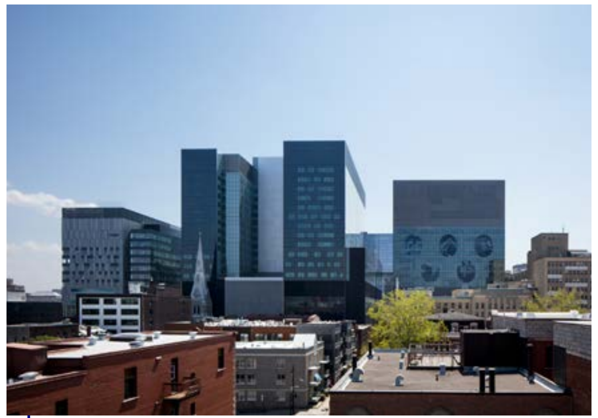
Regarding the concession company Cemonasa (Cercanías Móstoles Navalcarnero), see note 3.6 to the consolidated financial statements.

### Outlook

Senda Infraestructuras will continue to pursue its strategy as a concession developer that wins construction contracts with attractive margins and minimal capital contributions, with a policy of asset rotation going forward.

Our future goal is for 30% of OHLA's portfolio to be made up of concession projects where gross construction margins enhance the company's profitability. This volume of business, combined with our asset rotation policy, will enable us to cover the estimated funds needed to invest capital in each new concession contract.

Architectural visualisation: hospitals in the Biobío region, Chile.



Centre Hospitalier de l'Université de Montréal, Canada.

Hospital Universitario de Toledo, Spain.

## Development

The effects of the global pandemic caused by Covid-19 were still felt in 2021. In the case of our Development division, the pandemic delayed the opening of some areas of its flagship project, Centro Canalejas Madrid.

The significant impact of the pandemic meant that the Four Seasons Hotel was adversely affected by travel restrictions in the first half of the year, especially in international travel. Despite this, the Four Seasons is already positioned as the benchmark property among Madrid's luxury hotels.

Marketing for Galería Canalejas was delayed because of Covid-19, but significant progress was made in 2021. Agreements were entered into with some of the leading international luxury brands.

Galería Canalejas has two distinct areas: the restaurant area opened to the public in December 2021, while the fashion and luxury accessories area will open in the course of 2022 - other than Hermès, which opened in October 2020, and Cartier, which opened in November 2021.

### Core assets

#### Galería Canalejas Madrid strengthens its position as an icon of luxury and exclusivity

The year 2020 was marked by the opening of the Four Seasons Hotel and the first boutique - Hermès - as part of the exclusive offering of Galería Canalejas. In 2021, Centro Canalejas Madrid (CCM) reached a new milestone when it was joined by Maison Cartier, the French jeweller and luxury goods purveyor. In addition, we opened the Food Hall, an exclusive gastronomic space on one of the three floors of Galería Canalejas. This section brings together an outstanding selection of widely diverse high-end restaurants serving cuisine from around the world and headed by some of the most prestigious chefs.

Galería Canalejas reinforces the identity of Centro Canalejas Madrid with its concept of luxury and exclusivity, which has changed the landscape of the city's downtown district. The commercial space and the Four Seasons Hotel share the complex with 22 premium residences - which benefit from all the hotel's services - and a new public carpark with 360 parking spaces, also developed and built by OHLA. The company restructured the urban spaces in the neighbourhood where CCM is located and renovated street furniture and lighting to create a sustainable and pedestrianised public space.

OHLA developed Centro Canalejas Madrid (CCM) through its Development division, with Mohari Hospitality as a financial partner. The project merges seven historic buildings - two of which are listed as heritage sites (Spanish "BIC") - into a single horizontal, mixed-use property in the heart of Madrid.

#### Old War Office

In 2021, OHLA completed the sale of its entire stake (49%) in the iconic Old War Office project in London, with a total value of EUR 98.1 million, to its project partner, the Hinduja Group.

### Outlook

The company's significant experience in high value-added tourism developments in Latin America and Europe gives it a leading position to undertake new sustainable urban projects where it can apply its considerable know-how. For this reason, the Development division is constantly prospecting the property and tourism market to identify and analyse projects where, alongside financial partners, it can make a difference with its wide-ranging domestic and international experience.

#### GALERIA CANALEJAS WIDENS ITS OFFERING WITH THE OPENING OF MAISON CARTIER

Galería Canalejas expanded its commercial offering - inaugurated in September 2020 by Hermès - with the November 2021 opening of luxury jeweller Cartier. The French *maison* is located in a 170 m² shop with décor that combines the brand's contemporary luxury with handcrafted details, such as embroidered upholstery, wood panelling and moulding with golden touches, harking back to the nobility and elegance of traditional Madrid culture. Cartier and Hermès form part of a selection of more than 40 luxury, fashion and fine jewellery brands offered by Galería Canalejas, which also houses the Food Hall, a unique gastronomic concept in Spain.

Cartier fine jewellery boutique.

Galería Canalejas is part of Centro Canalejas Madrid. One of its two facades, overlooking the Plaza de Canalejas, carries high architectural value. Dating back to 1902, it was originally designed by the renowned architect Eduardo de Adara y Magro; almost a century later, in 1999, the building was listed as a heritage site for its special architectural and historic interest. The interior features an Art Deco stained-glass window that takes up a large part of the ceiling and has been sensitively restored to preserve its original aesthetics.

This commercial space embodies a concept that in Spain was so far unknown. At this commercial and gastronomic gallery, the visitor is invited to enjoy an eclectic experience encompassing fashion, luxury, cuisine, culture and history.

#### THE FOOD HALL, A UNIQUE GASTRONOMIC EXPERIENCE IN SPAIN

In early December 2021, the Food Hall, a gastronomic space of more than 4,000 m² with an entrance on Alcalá Street, opened its doors. As part of Galería Canalejas, the Food Hall comprises 13 restaurants offering a range of specialties and national cuisines and headed by prestigious international chefs, some of whom are Michelin-starred.

The Food Hall, the largest gastronomic offering in the country, is a major multicultural attraction for Spanish and international tourists alike and provides a unique leisure experience for locals and outside visitors.


#### CENTRO CANALEJAS MADRID NAMED BEST PUBLIC WORK AT THE 13th CAMINOS AWARDS

Centro Canalejas Madrid (CCM) was awarded the prize for Best Public Work at the 13th Caminos Awards granted annually by the Madrid chapter of the Spanish professional council of civil engineers. The accolade highlights the positive impact that OHLA's role of rehabilitation and restoration has had for the city of Madrid and for Spain's "brand". The project involved an investment of over EUR 600 million and the work of more than 5,000 people throughout development and construction. The CCM is the largest urban regeneration project ever undertaken in Spain. Nearly 400 SMEs took part, including arts and crafts firms that restored more than 17,000 pieces of ornamentation, with a total investment of over EUR 7 million.

# We are sustainable.

## We are Progress Enablers



Centro de Salud Pósope Alto. Perú.

# We are sustainable. We are Progress Enablers

## Sustainability as a vector of value creation

For OHLA and its stakeholders, sustainability applied to business - full integration of ESG (Environmental, Social and Governance) criteria with the company's strategy - is no longer a mere option but a priority. Aware of this paradigm shift, the company is positioning itself to meet new regulatory requirements, social demands and stakeholder expectations, which will enable us to create new investment, financing and business opportunities.

In 2021, OHLA embarked on a new journey as a company. In this new phase, we shall accord sustainability a key role in our business model so as to contribute to progress with infrastructure that supports social, economic and environmental well-being. This new business strategy, combined with more than 110 years of history and experience, makes OHLA a company that supports progress and contributes to overcoming the most pressing challenges of today.

This environmental, social, and governance commitment is reflected in OHLA's new Sustainability Policy. Following domestic and international recommendations, the policy creates a framework for sustainability management within the company's business model. Supported by the organisation's other policies and codes of conduct, the Sustainability Policy establishes commitments in six areas: transparency, people, the environment, innovation, the supply chain and shared value. Developed over the course of 2021, the Sustainability Policy was finally adopted by the Board of Directors in January 2022 through the Nomination and Remuneration Committee, which oversees and evaluates the organisation's sustainability performance.

In 2021, we reviewed and updated the sustainability duties ascribed to the Board of Directors and its committees. OHLA's CEO is now directly responsible for the company's sustainability strategy, reflecting the importance of this matter as a cross-cutting strategic concern.

In addition, OHLA continues to join efforts to promote global transformation and speed up achievement of the United Nations Sustainable Development Goals (SDGs), taking on an inescapable responsibility in the face of today's global challenges. For this reason, the company is a voluntary member of domestic and international initiatives such as the Spanish Network of the United Nations Global Compact, and is a promoting partner of Forética, the Spanish business forum for ESG matters, and a member of its sustainable development council. We signed the New Deal for Europe manifesto and joined the CEO Alliance for Diversity.

### 2022-2024 Sustainability Plan

Adopted by the Board of Directors in January 2022, the 2022-2024 Sustainability Plan embodies our commitment to promote the progress and well-being of people and to make the planet a more liveable and better place for everyone. Hence the Plan sets out short- and medium-term steps towards achieving OHLA's purpose.

Built on the basis of the materiality analysis, the Sustainability Plan addresses stakeholder concerns and integrates the Sustainable Development Goals set out in the United Nations 2030 Agenda.

The 2022-2024 Sustainability Plan is structured around three strategic priorities, Sustainable Business, Responsible Management and Social Progress, and identifies 21 challenges, addressed by 40 lines of action and 40 annual targets to be achieved over the next three years.

| SUSTAINABLE BUSINESS | RESPONSIBLE MANAGEMENT | SOCIAL PROGRESS |
|---|---|---|
| We improve people's lives and make the planet a better place | We earn the trust of our investors and wider society | We support the social and economic progress of our host communities |
| 8 Challenges | 7 Challenges | 6 Challenges |
| 16 Lines of action | 9 Lines of action | 15 Lines of action |
| 16 Annual objectives | 9 Annual objectives | 15 Annual objectives |

### Key objectives of the 2022-2024 Sustainability Plan[3]

**SUSTAINABLE BUSINESS**

- 2030-2050 Net Zero Strategy: managing our emissions
- 40% decrease in greenhouse gas (GHG) emissions intensity (Scope 1+ Scope 2) compared to 2017.
- ≥ 80% non-hazardous waste to be reused/recycled (destination other than landfill).
- Assessment of eligibility for and alignment with EU taxonomy.
- Commitment to a sustainable fleet: 100% of senior management vehicle fleet to bear an eco-label or generate zero emissions.
- ≥ 80% of innovation projects to have a positive societal impact.
- 100% of digitalisation projects to include sustainability indicators.

**RESPONSIBLE MANAGEMENT**

- 20% of the management team's individual management targets to be linked to ESG metrics.
- Include suppliers in the human rights (HR) self-assessment campaign.
- Renewal of Anti-Corruption and Crime Prevention certificates (UNE ISO 37001 and UNE 19601).
- Roadmap for compliance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
- Adoption of SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosures) standards in the Annual Report.
- Presence in the MSCI ESG index, adherence to the United Nations Global Compact and commitment to the 2030 Agenda.

**SOCIAL PROGRESS**

- Commitment to equal pay and reducing the gender pay gap: <15% gender pay gap
- >10% management positions occupied by women
- New ways of working to create a motivating environment that attracts and retains talent and supports career and personal development.
- Lower accident rates through training and awareness-raising.
- Additional ESG criteria in the supplier approval process.
- Increased investment in social action (EUR 1 million in 2024).

*[2] For further information, see section 4.3 Materiality analysis.*

*[3] See the sections on Responsible Management, Sustainable Business and Social Progress for the specific goals set in each case.*

## ONGOING COMMUNICATION IS KEY TO OUR MANAGEMENT APPROACH

Transparency and communication are key cross-cutting principles at the company, by nurturing stakeholder trust, satisfaction and security, improving management decision-making and creating new business opportunities.

Throughout the entire value chain, OHLA interacts with a multitude of people, entities and organisations, so the company has several communication channels open, both internally and externally. This enables us to maintain an ongoing dialogue and interaction with our stakeholders: shareholders and investors, lenders, business partners, customers, employees, suppliers, government and regulatory bodies, analysts, associations and non-profits, and wider society.

OHLA actively seeks consensus and dialogue with its projects' host communities, setting up dialogue tables, neighbourhood meetings, and information and outreach days, among other measures. Specifically, the Environmental Impact Assessments (EIAs) prior to construction activities include a Social Impact Assessment (SIA) in accordance with the legislation in force in each of the countries where we operate, which must be approved by the competent authorities. The impact assessment submission and approval process includes mandatory consultation and engagement with stakeholders and government bodies. Hence, some project documents must be made public for a specified period as prescribed by the laws and regulations of the given country.

**Internal and external communications**

The company's internal communication channels include a corporate intranet, OHLA Link, which helps to foster a collaborative and dynamic work environment. The online newsletter *Mosaico* features stories about employees' experiences around the world, and the online corporate magazine *Tecno* reports on the technical challenges faced by OHLA in the projects it undertakes. As to outward-facing communications, the highlights include our website, www.ohla-group.com and our LinkedIn and YouTube profiles.

All our communication channels covered the milestones of the past twelve months, such as our 110th anniversary, which involved special internal and external communication events in our various markets. We produced a video with a focus on our employees to tell the story of our company through its iconic projects, and to explain how our people made them a reality. These actions were supported by global press releases.

Later, on 6 July 2021, the Chairman, Luis Amodio, and the CEO, José Antonio Fernández Gallar, unveiled the new OHLA brand. We deployed a wide-ranging communication strategy: we streamed an unveiling event for all geographies, employees and stakeholders; launched global press releases; and held a face-to-face event for senior management to speak to the media, in person and online, at our headquarters in Madrid. Over the year, we reinforced these actions with further interviews and face-to-face meetings of senior management with journalists to raise awareness and recognition of OHLA's strategy and positioning.

For example, on the occasion of the launch of the new brand and image, we revamped the corporate website with an updated flexible design that integrates the Group's different business areas and raises the profile of sustainability and innovation topics.

On social media, at year-end 2021 OHLA had 163,649 followers on LinkedIn and had posted 185 items to strengthen the brand's positioning on this professional network, raise awareness of our values as a company, build loyalty and attract talent.


Luis Amodio (left) and Jose Antonio Fernández-Gallar (right), respectively, Chairman and CEO of OHLA.

## Commitment to employees

To address and promote the internal communication strategy in the short and medium term, in September 2021 the Communications Department launched an internal survey of employees to find out their interests and preferences in terms of communication so as to improve the company's approach. As a result, we are launching new internal communication projects under an Internal Communication Master Plan.

To enhance interaction with employees, in recent months senior management travelled to several countries where we operate to meet with regional teams and share views on the day-to-day running of the business.

Meetings between employees and Luis Amodio and José Antonio Fernández Gallar, Chairman and CEO of OHLA

## Other initiatives

Another communication action aimed at employees was our 7th FOCUS photography contest, which aims to raise the visibility of OHLA's projects in different markets. This year's contest drew more than 300 submissions. Candidates' photographs illustrated projects in the United States, Spain, Mexico, Chile, Peru, Norway, Sweden, the Czech Republic and Slovakia.

In the area of sustainability, the company undertook a range of campaigns to support and raise awareness of the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. We joined several awareness campaigns on the occasion of the International Day of Persons with Disabilities, the International Day for the Elimination of Violence against Women, International Women's Day and World Cities Day, among other initiatives.

# Responsible management

For OHLA, building robust governance structures that nurture a culture of transparency is a key factor in earning the trust of our investors and wider society. Therefore, governance is a factor that bears upon the company's competitiveness in the market.

Through good governance, we create and strengthen our credibility, meet the demands of the international community and fulfil the responsibilities that we at OHLA have as an organisation.

OHLA remains committed to responsible management, as reflected in the company's policies and Code of Ethics, in which it declares its commitment to good business practices and its Anti-Corruption Policy and Crime Prevention Policy. These documents also state the company's adherence to and compliance with the recommendations of international organisations, such as the Organization for Economic Cooperation and Development (OECD), and national regulators, such as the Spanish National Securities Market Commission (CNMV).

In its new Sustainability Plan, OHLA has specified a range of actions to further strengthen its governance performance in the coming years.

## Challenges, lines of action and targets for 2022-2024 in terms of Responsible Management

### CORPORATE GOVERNANCE

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| Continue to promote and adopt best practices in corporate governance | Linking management bonus pay to ESG metrics. | Link 10% of individual management targets linked to ESG metrics (senior management) | Link 15% of individual management targets to ESG metrics (senior management) | Link 20% of individual management targets to ESG metrics (other executives and middle managers) | 8 |
| | Training senior management and the Board on sustainability, risk and compliance | Design training content | Have all members of the Management Committee and NRC trained | Have all members of the management team and ACC trained | |

### HUMAN RIGHTS

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| Continue to ensure respect for and compliance with Human Rights | Implementing the human rights self-assessment campaign throughout the Group, including the supply chain | - | Carry out the OHLA Group's HR assessment campaign | Carry out the HR assessment campaign for OHLA Group suppliers | 8,16 |
| | Training and raising awareness among employees and other stakeholders on human rights issues | - | Train >50% of employees in HR | - | |

### INTERNAL AUDIT

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| Involvement of Internal Audit in sustainability issues | Incorporating the monitoring of the commitments set out in the Sustainability Plan in Internal Audit's annual planning | Include sustainability or ESG aspects in the Annual Internal Audit Plan | | | - |

### ETHICS AND COMPLIANCE

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| Renewal of anti-bribery and criminal compliance system certifications | Renewing the criminal compliance (UNE 19601) and anti-bribery (UNE ISO 37001) certifications | Renew certifications (UNE 19601 and UNE ISO 37001) | | | 16 |
| Training in ethical conduct | Promoting ethical conduct training for employees | Have > 90% of employees trained in ethical conduct (with email) | | | |

RISK MANAGEMENT

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Implementation of TCFD recommendations** | Creating a roadmap for compliance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) attached to the Financial Stability Board of G20 | Define a roadmap for the incorporation of TCFD recommendations and initiate actions | - | - | 13 |

TRANSPARENCY

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Increase in non-financial information reported to investors** | Adopting SASB (Sustainability Accounting Standards Board) and TCFD (Task Force on Climate-related Financial Disclosure) standards to provide greater transparency to shareholders on non-financial matters | Include SASB and TCFD indicators in the Group's 2021 Annual Report | - | - | 16 |



# Good governance

## OWNERSHIP STRUCTURE

At 31 December 2021

| Shareholder | % |
|---|---|
| Concerted action* | 25.965% |
| Davies, Simon** | 15.514% |
| Inmobiliaria Espacio, S.A. | 7.0970% |
| The Goldman Sachs Group, Inc. | 6.6910% |
| DWS Investment GmbH | 4.9460% |
| Other shareholders | 39.787 |

* Concerted action between Forjar Capital SLU and Solid Rock Capital SLU.

** Simon Davies holds voting rights through financial instruments: Sand Grove Opportunities Master Fund, Ltd., voting rights through financial instruments.

## GOVERNING BODIES

### Board of Directors

Membership at 31 December 2021:

***Chairman***

Luis Fernando Martín Amodio Herrera (proprietary)

***First Deputy Chairperson***

Julio Mauricio Martín Amodio Herrera (proprietary)

***Second Deputy Chairperson***

Juan Villar-Mir de Fuentes (proprietary)

***Chief Executive Officer***

José Antonio Fernández Gallar (executive)

***Directors***

Carmen de Andrés Conde (independent)

César Cañedo-Argüelles Torrejón (independent)

Juan Antonio Santamera Sánchez (independent)

Luis Fernando Amodio Giombini (proprietary)

Francisco García Martín (independent)

Reyes Calderón Cuadrado (independent)

The company's Board of Directors comprises ten members. The operation, structure and organisation of the Board and its committees abide by principles of independence and transparency in accordance with best practices in corporate governance and in the interest of the company and its shareholders.

At the 2021 General Meeting, at the proposal of the Nomination and Remuneration Committee, the shareholders re-elected Juan Antonio Santamera Sánchez as an independent director. Moreover, the Board of Directors co-opted Francisco García Martín as a director to fill the vacancy arising from the resignation of the independent director Juan José Nieto Bueso, and Luis Fernando Amodio Giombini, at the proposal of the significant shareholder, Forjar Capital, SLU, to fill the vacancy arising from the resignation of Silvia Villar-Mir de Fuentes, who stepped down in order to adjust the Board presence of Grupo Villar Mir, S.A. to its current stake in the company's equity. The appointments by co-option of Francisco García Martín and Luis Fernando Amodio Giombini will be laid before the shareholders for ratification at the next General Meeting.

For further information, see the Annual Corporate Governance Report (ACGR) for 2021 and the company's website (https://ohla-group.com/).

### Board committees

#### Audit and Compliance Committee

Membership at 31 December 2021:

***Chair***

Francisco García Martín (independent)

***Directors***

César Cañedo-Argüelles Torrejón (independent)

Julio Mauricio Martín Amodio Herrera (proprietary)

Luis Fernando Amodio Giombini (proprietary)

Reyes Calderón Cuadrado (independent)

#### Key matters addressed by the ACC in 2021:

- Reporting to the Board of Directors on the budget for the year and monitoring budget compliance.
- Monitoring the Company's and Group's financial and cash position throughout the year.
- Analysing progress of the Group's significant transactions and financing in the year, especially the financial restructuring process agreed with the Group's main creditors, which was concluded on 25 June 2021, and the terms of the share capital increases approved by shareholders at the General Meeting held on 26 March 2021.
- Reviewing and analysing, prior to the Board meeting, the main interim periodic (quarterly and half-yearly) economic and financial indicators, duly providing a favourable report for presentation to the markets and their supervisory bodies.
- Reviewing and approving the 2020 tax report, the tax policies applied during the year, and the incidents arising and the tax management tools used during the year.
- Reviewing the system of Internal Control over Financial Reporting (ICFR) and its application in 2021.

- Considering and reviewing the financial and non-financial reporting requirements issued by the CNMV and related responses issued by Company management.
- Reviewing the external auditors' work.
- Reviewing the economic terms and conditions of the engagement of the audit firm of the Company's and Group's financial statements.
- Analysing the external auditor's independence and reviewing compliance with requirements regarding conflicts of interest established in Spanish Audit Law 22/2015, of 20 July, considering such independence to be demonstrated.
- Approving non-audit services provided by the external auditor to the Company or Group subsidiaries, previously reported by the General Economic and Financial Department with respect to their nature, circumstances and amounts.
- Analysing and reviewing the reports by Internal Audit in 2021 on the various projects selected and cross-cutting aspects of the various activities, their outcome, conclusions and, where applicable, recommendations to Company management.
- Reviewing and approving the Internal Audit Department's Annual Report for 2020, while assessing compliance, and the 2021 Internal Audit Plan, including the budget for the year.
- Reviewing and approving the Compliance Department's Annual Report for 2020 and of the Compliance Department's Annual Plan for 2021, including the budget for the year.
- Analysing and, if appropriate, approving the processing of complaints reported by the Compliance Department received through the Ethics Channel in 2021.
- Following up on investigations coordinated by the Compliance Department at the request of the Committee itself.
- Supervising the work plan drawn up for renewing ISO 37001 certification (anti-bribery management systems) and UNE 19601 certification (criminal risk compliance management system), obtained in 2019.
- Monitoring the project for implementing the compliance system regarding competition adapted to the guidelines issued by the Spanish competition watchdog (CNMC).
- Reviewing and approving the Risk and Internal Control Department's Annual Report for 2020 and the Risk and Internal Control Department's Annual Plan for 2021, including the budget for the year.
- Updating the Risk Map and OHLA Group's financial and non-financial risks.
- Scrutinising the Group's transactions with related parties for the purposes of subsequent reporting to the Board of Directors.
- Monitoring the implementation of the Group's corporate restructuring and restructuring (Hive Down) agreed under the framework of the Group's financial refinancing with its main bank creditors in June 2021.
- Revising the Regulations of the Board of Directors to adapt to the current wording of the Spanish Corporate Enterprises Act and certain good governance recommendations.
- Performing the Committee's annual self-assessment.
- Preparing the Committee's annual activity report..

For further information, see the Annual Corporate Governance Report (ACGR) for 2021 and the company's website (https://ohla-group.com/).

### Nomination and Remuneration Committee (NRC)

Membership at 31 December 2021:

***Chair***

Reyes Calderón Cuadrado (independent)

***Directors***

Francisco García Martín (independent)

Juan Antonio Santamera Sánchez (independent)

Juan Villar-Mir de Fuentes (proprietary)

Luis Fernando Martín Herrera Amodio (proprietary)

### Key matters addressed by the NRC in 2021:

- Reporting the ratification and appointment of proprietary directors to the Board of Directors, understanding that they meet the profile and skills required to discharge their office, evaluating and reporting favourably on their suitability.
- Proposing the re-election and appointment of independent directors and reporting favourably on their suitability to the Board of Directors.
- Analysing and reporting favourably on the chair's proposal to modify the deputy chairs of the Board.
- Reviewing the factors for distributing the maximum annual remuneration approved by the General Meeting for external directors, and reporting favourably on a new distribution scheme for 2021.
- Analysing and reporting to the Board of Directors the proposal for the Chief Executive Officer's variable remuneration, assessing, where applicable, achievement of objectives and criteria.
- Reporting on the amendments to the Bylaws, the Regulations of the Board of Directors and the General Shareholders' Meeting Regulations to adapt the texts to Law 5/2021, of 12 April, amending the Spanish Corporate Enterprises Act and other financial regulations, mainly with respect to the organisation of Board Committees, the conduct of general shareholders' meetings and other technical improvements, which were approved by the Board of Directors and the Annual General Meeting.
- Informing the Board of Directors about the 2020 Annual Remuneration on Director Remuneration Report, verifying that the current Remuneration Policy was applied correctly.
- Reporting to the Board of Directors on the proposed amendment of the Director Remuneration Policy, which was subsequently approved at the Annual General Meeting held on 29 June 2021.
- Analysing and reporting to the Board of Directors on the proposed variable remuneration of OHLA Group senior executives.
- Reporting on the proposed termination of the employment relationship and the terms of settlement of senior executives who stepped down during the year.
- Report on proposed appointments of members of senior management and propose to the Board of Directors the basic terms of their employment contracts.
- Reporting favourably to the Board of Directors on the Functions Handbook based on the Group's current organisational flow chart.
- Analysing the degree of compliance with global reporting initiative (GRI) sustainability standards and approving measures to enhance and standardise how this information is monitored and reported in all countries where the Group has operations.
- Reporting non-financial information to the Board of Directors for its approval and the authorisation for issue of the Group's Consolidated Management Report.
- Performing the Committee's annual self-assessment.
- Approving the Committee's annual activity report.

For further information, see the Annual Corporate Governance Report (ACGR) for 2021.

### Conflicts of interest (Regulations of the Board of Directors)

Conflicts of interest affecting directors are governed by Regulations of the OHLA Board of Directors. The Regulations deal in detail with situations in which a potential conflict of interest, whether direct or indirect, compels a director to notify the Board of Directors. In addition, the affected director must abstain from attending or speaking in deliberations or voting on matters related to the conflict.

The company has in place specific rules that implement the Regulations of the Board of Directors and are separately approved by the Board to reinforce and further specify the procedures and controls governing transactions that the Company or any OHLA company intends to conclude with directors, significant shareholders or their related parties.

Transactions affected by these rules include all transfers of resources, services, rights or obligations, irrespective of whether or not they are for consideration, performed by any of the parties referred to in the preceding paragraph with the Company or with any OHLA company.

In 2021, no director or other executive of the company reported any conflict of interest. In the financial statements and in the Annual Corporate Governance Report, the company discloses any significant related-party transactions concluded by the company or any OHLA company with significant shareholders, directors, executives or their related parties.

For further information, see the financial statements and the Annual Corporate Governance Report (ACGR) for 2021.

## Management Committee

***Chair***

José Antonio Fernández Gallar
Second Vice-Chair and Chief Executive Officer

***Directors***

José Antonio de Cachavera Sánchez
Head of Services

José María del Cuvillo Pemán
General Manager of the Legal Department

Fausto Fernández Casado
Head of Concessions

Ashok Patel
Head of the North America Division

José Emilio Pont Pérez
General Manager for Europe and Latin America

Tomás José Ruiz González
Head of Corporate Affairs

José María Sagardoy Llonis
Chief Financial Officer

Gonzalo Targhetta Reina
General Manager of Corporate Resources

## BOARD DIVERSITY

### Our diversity policy as applied to the Board of Directors

During 2021, the company followed the director selection policy adopted in 2017. The policy ensures that proposed appointments or reappointments of members of the Board are based on careful analysis of the Board's needs and are conducive to a diversity of knowledge, experience and gender.

Furthermore, the policy specifies mechanisms to avoid any bias that might hinder the appointment of women as directors.

Since 2018, out of the total of ten members of the Board of Directors the company maintained a 30% proportion of women. With the resignation of Silvia Villar-Mir de Fuentes on 29 July 2021, however, the representation of women on the Board decreased to 20%. In the process of selecting candidates to fill the vacancy caused by the resignation of Silvia Villar-Mir de Fuentes, the company ensured that there were no biases that might hinder the selection of a woman director, and deliberately included several women as candidates for the position. The company remains committed to gender diversity in the membership of the Board and its committees. To promote diversity, the company ensures equal opportunities between men and women and cultural diversity, especially as among the regions where the Group is present. We also seek diversity in experience, knowledge and professional background in the areas and businesses in which the company operates.

The Board of Directors has members of different ages and nationalities, with the training, experience and aptitudes required for their positions, and with necessary technical knowledge, especially in construction, infrastructure, and financial and accounting matters, thus ensuring a balance of skills for decision-making.

## ETHICS AND COMPLIANCE

In line with its proven commitment to a business model based on transparency and good governance, in 2021 OHLA renewed the certificates for its Anti-Bribery and Crime Prevention management systems.

First achieved in 2019, the renewed certificates confirm that the company has in place an Anti-Bribery Management System in compliance with ISO 37001 and a Crime Prevention Management System in compliance with 19601. By means of these certificates, OHLA confirms its commitment to uphold a culture of rigorous ethics and compliance and to maintain and continuously improve its crime prevention and anti-bribery compliance management systems.

OHLA expressly states and specifies its commitment to good business practices in its Code of Ethics, Anti-Corruption Policy, Crime Prevention Policy and Competition Compliance Policy. The company is also a signatory of the United Nations Global Compact, and is therefore committed to fighting corruption and following the recommendations of international organisations, such as the OECD, and best practices in corporate governance published by the Spanish National Securities Market Commission (CNMV). These pledges entail compliance with all applicable criminal and anti-corruption laws and regulations.

### Code of Ethics

Adopted by the Board of Directors in 2010 and revised in 2012 and 2015, the Code of Ethics is an express statement of the company's values, principles and guidelines for conduct, with the aims of:

- Implementing models and guidelines for professional, ethical and responsible conduct to be followed by everyone acting for OHLA in the course of its business.
- Preventing criminal conduct or any unlawful behaviour by persons bound by this Code in the performance of their jobs.
- Establishing follow-up and control mechanisms as required to ensure compliance.

The Code of Ethics constitutes one of the mainstays of Corporate Social Responsibility and supports the achievement of the company's corporate values, which are:

- Professional ethics, integrity, honesty, loyalty, effectiveness and responsibility vis-à-vis our stakeholders, in all actions of the company, while strictly abiding by the law.
- Will to succeed and continuous improvement in professional performance, while striving at all times for excellence.
- Transparency in the dissemination of information, which must be adequate, accurate, verifiable and complete.
- Creation of value with a quest for sustainable profitability and growth.
- Constant promotion of quality, innovation, safety and respect for the environment.



### Anti-Corruption Policy

OHLA has in place an Anti-Corruption Policy, adopted by the Board of Directors in June 2015 and revised in July 2019, which sets out its position of zero tolerance for any form of bribery or corruption in either the public or private sector.

Proof of our commitment to zero tolerance of corruption was the renewal of the ISO 37001 certificate, after an exhaustive audit that recognised OHLA's good practices in managing the financial and non-financial controls required to mitigate criminal risks in the course of its business. The independent audit report highlighted the OHLA Group's express and public commitment to prevent, detect and combat criminal conduct within the organisation.

The certification process extends to OHLA and eleven of its subsidiaries. A highlight this year was the inclusion within the scope of certification of OHLA's Peruvian branch.

Through this international benchmark certification, OHLA provides its investors, partners, employees and other stakeholders with assurances as to effective implementation of mechanisms to prevent and detect misconduct.

### Crime Prevention Policy

The Group has in place a Crime Prevention System - which is updated whenever necessary to adapt it to organisational and legislative changes - that enables it to mitigate the criminal risks to which it is exposed in accordance with the specific features of its structure and business.

OHLA also has a Crime Prevention Policy, adopted in November 2019 by the company's Board of Directors and supported by a Crime Prevention Manual, which was likewise adopted in 2019 to replace the 2016 Crime Prevention Model.

In 2021, for the parent company and ten of its subsidiaries, OHLA renewed its UNE 19601 certificate assuring that the organisation operates a model aligned with the requirements of the Spanish Criminal Code and international standards of compliance. This helps foster an organisational culture that is sensitive to crime prevention and opposes practices that could lead to unlawful conduct.

### Antitrust Compliance Policy

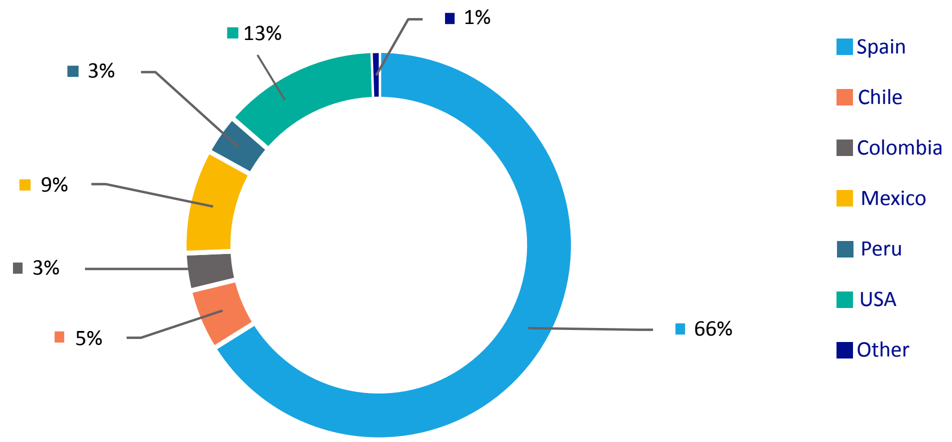
In 2021, OHLA Group implemented an antitrust programme to comply with CNMC guidelines. As a result, in November 2021 the Board of Directors approved the Antitrust Compliance Policy. This policy reinforces OHLA's firm commitment to ensuring free competition in the marketplace and that all Group personnel abide by constitutional principles, laws and other regulations of competition law.

### Communication and training in good governance

All OHLA employees must be aware of and accept the Code of Ethics, the Anti-Corruption Policy, the Crime Prevention Policy and the Antitrust Compliance Policy. For this reason, an additional clause is included in the employment contract for new hires.

During 2021, the company provided specific training on the Code of Ethics and the Anti-Corruption Policy. To date, a total of 4,103 people have received training on the online platform course.

**Training by country**



In addition, a total of 1,690 people received training on the Crime Prevention System and 127 employees on Antitrust.

## Ethics Channel

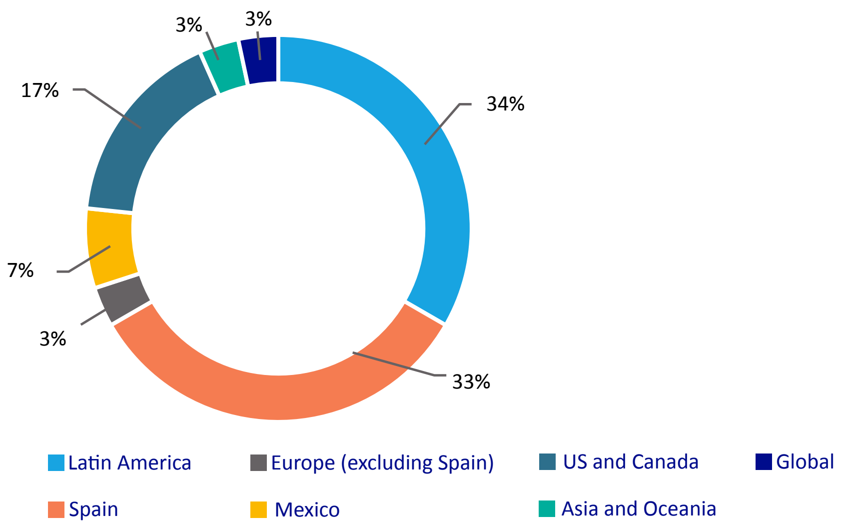
The Ethics Channel is available to all OHLA personnel and stakeholders wishing to ask any questions or report, on good faith, any course of conduct that in the professional sphere could imply, by action or omission, irregularities, breaches or infringements of the rules and principles of action outlined in the Code of Ethics, and other regulations or procedures that make up the Company's internal rules and regulations, or are against the law.

The Audit and Compliance Committee ensures that any communications received are properly handled and treated in strict confidence in accordance with the applicable internal procedure. OHLA allows complaints to be reported anonymously. To be accepted for processing, sufficient evidence of the reported facts must be provided so that the investigation can focus on specific facts. The company is also responsible for conducting disciplinary, sanctioning and judicial proceedings, as appropriate, until a complaint is resolved.

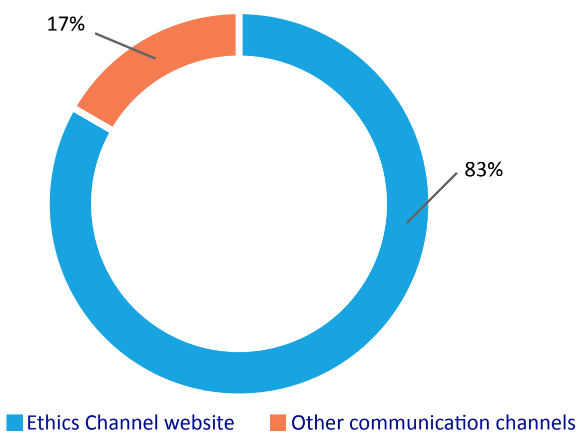
In 2021, a total of 30 communications of potential breaches of the Code of Ethics (as well as various queries) were received. Of these, 25 were made through the Ethics Channel and the other five through other channels. Of the complaints, 15 complaints were investigated and 15 dismissed as they did not represent violations of the Code of Ethics.

All complaints accepted were duly investigated and the consultations answered, in line with the internal procedures in place. At year-end, five were still being investigated.

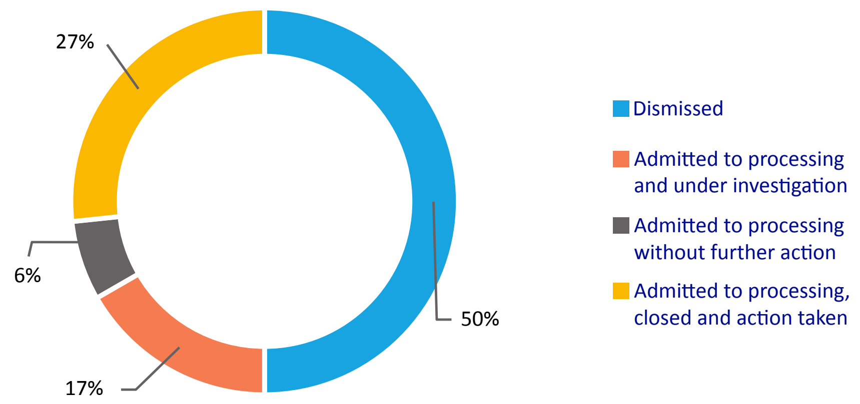
### GEOGRAPHICAL MARKETS



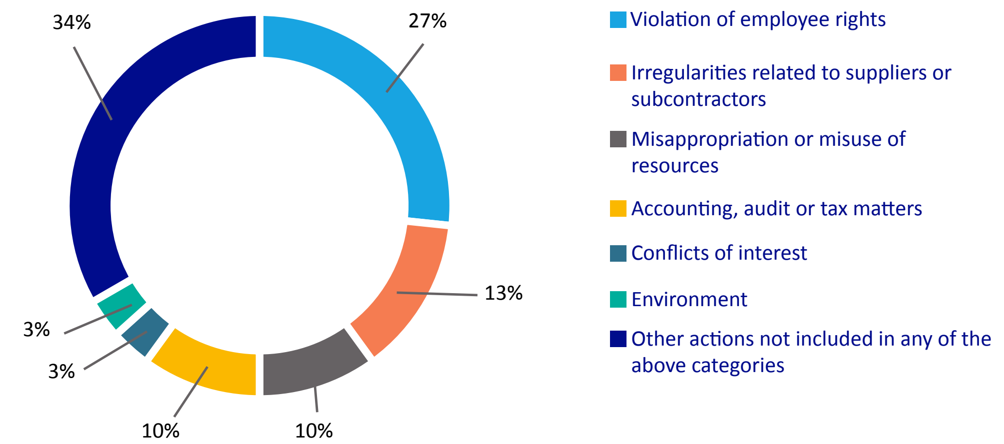

### RECEIPT OF COMMUNICATION




### CONCLUSION




### TYPES




## Risk management model

In order to detect risks to our business objectives suitably in advance, OHLA uses an internal control framework based on the COSO model (Committee of Sponsoring Organizations of the Treadway Commission), which is widely used and accepted in international financial environments. The guiding principles of the model are set out in the Risk Control and Management Policy[5]:

- 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.

[4] *COSO ERM framework, "Enterprise Risk Management - Integrating with Strategy and Performance", published in September 2017 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). .*

[5] *Updated and adopted by the Board of Directors at its meeting of 10 November 2021.*

The Risk Control and Management Policy is based on experience, best practices and good corporate governance recommendations, and contributes to ongoing improvement in business performance.

OHLA's Internal Control System, following international best practices, is based on combined assurance around the so-called "three lines of defence" through an integrated approach:

The **first line** of defence focuses on operational and risk management, ensuring compliance with laws, regulations and ethical guidelines. The company's management is responsible for: maintaining effective control aligned with objectives and strategy, acting on risks efficiently and continuously; fostering a culture that encourages ethical conduct and accountability; determining the organ**isation's risk appetite; and overseeing risk management, while being accountable for such oversight.**

**The second line** of defence comprises activities such as support and supervision of the effectiveness of risk management and falls to the Compliance and Risk and Internal Control Departments. Specifically, the Compliance Department's duties include:

- Identifying legal risks, especially those that arise from the criminal liability of legal persons or entail reputational risks or infringe on free market competition.
- Promoting implementation of the processes necessary to avoid legal breaches related to criminal or reputational, or antitrust risks, and minimising the cases of criminal liability at the Company, thereby actively contributing to preventing, detecting and stopping criminal or anti-competitive behaviour.
- Promoting a clear organisational culture, shared by all Group employees at all levels, that helps avoid conduct that could give rise to any criminal liability or anti-competitive sanctions on the Company, its executives and directors.
- Overseeing the correct application of the Crime Prevention and Antitrust compliance programme.
- Establishing, in an objective and demonstrable manner, control and oversight measures aimed at avoiding this conduct by employees, at all levels, and proposing the disciplinary measures that would be taken if this conduct were to take place.
- Ensuring that there is a Set of Rules, Policies and Regulations that reasonably guarantee the reliability of the financial information, and compliance with the laws, regulations and policies that apply to the Group.
- Informing, periodically, the Secretary of the Board and the Audit and Compliance Committee on execution of the Annual Action Plan with regard to its management and the actions carried out in the areas of Crime Prevention and Antitrust.
- Establishing measures to prevent criminal acts in the following areas:
  - Anti-corruption: crimes of private corruption, bribery and corruption in international trade transactions.
  - Antitrust: any act that infringes on free market competition, by disseminating the values and principles of the Compliance Policy and Guidelines regarding competition and, therefore, the Antitrust Compliance Programme.
  - Cybercrimes: hacking crimes, disclosure of trade secrets and similar offences.
  - Control over the preparation of financial information: investor fraud crimes.
  - Market abuse and share price manipulation.
  - Non-compliance with Spain's Personal Data Protection Law (Ley Orgánica de Protección de Datos or "LOPD") and the privacy protection regulations.
  - Money-laundering.
  - Fraud to obtain government grants and aid.
  - Offences against natural resources and the environment.
  - Workplace harassment.
- Enforcing the Code of Ethics and proposing modifications to adapt to amendments to the legal framework prevailing at any given time, ensuring the dissemination and awareness of the Code within the Group.
- Proposing the approval of the internal regulations implementing the Code of Ethics, which include a disciplinary system for breaches.
- Processing complaints received via the Ethics Channel.
- Promoting and overseeing activities to raise awareness about the Code of Ethics and understanding the Group's crime prevention and antitrust control system.

The main actions conducted in 2021 are described in the Ethics and Compliance section of this Report.

The core functions of the Risk and Internal Control Department as established in OHLA's Functions Manual are:

- To coordinate, guide and support the strategic, operational, organisational and regulatory actions related to risk management across the entire Group.
- To establish the methodologies and tools for preparing the Risk Map, and to identify and provide warnings regarding changes in the likelihood and/or impacts of the identified risks.
- To lead the process of identifying and assessing risks that may arise during the performance of OHLA's activities by preparing and periodically updating the Risk Map.
- To prepare, document and maintain the Internal Control System, compliance with which by the various OHLA business areas ensures mitigation of operational and financial reporting risks.
- To identify and communicate any internal control deficiencies detected.

Additional information on risks materialising in 2021 and OHLA's risk management is provided in section E.5 of the Annual Corporate Governance Report.

The **third line** of defence is the role of the Internal Audit Department, which is accountable to the governing bodies and must be independent of Senior Management so as to provide impartial objective advice and, where necessary, putting place the necessary safeguards to achieve this. The Internal Audit Department is subject to the policies established by the company's Board of Directors through its Audit and Compliance Committee. Its duties are set out in the Regulations of the Board of Directors.

Specifically, over the course of 2021 the Internal Audit Department conducted audits in all OHLA divisions and in most of the countries where it operates, in line with its annual planning. The scope of the audits mainly covers:

- Construction work and Industrial projects
- Obtainment of indicators and alerts on specific parameters
- Data quality (relevant management data)
- Data processing and control of indirect costs
- Balance sheet of Pacadar, a subsidiary of OHLA
- Achievement of targets linked to bonus pay
- Anti-bribery management systems
- Crime prevention system
- Internal Control over Financial Reporting (ICFR) system
- Dissemination and awareness of the Code of Ethics
- Anti-Money Laundering system
- Off-site purchases
- Statement of internal regulations at North American subsidiaries
- Engagement of Disadvantaged Business Enterprises (DBEs) in the United States

The Internal Audit Department has a fraud prevention and investigation unit, which undertook engagements throughout 2021. The Department also continued to review ESG issues, including those related to human rights compliance[6]. For key recommendations or corrective actions, Internal Audit regularly follows up with the members of the Management Committee and in its Annual Internal Audit Report submitted to the Audit and Compliance Committee.

[6] *For further information on the human rights assessment process, see section 3.3.1. People -- Human rights.*

## Main risks

OHLA's business is exposed to specific internal factors that affect the company alone and to external factors that may also have an impact on other countries in the industry.

Internal factors include the financial restructuring and rebranding carried out during 2021. External factors include the persistence of the pandemic and the market imbalances arising from it.

We describe below the key risk events of 2021 capable of affecting the achievement of OHLA's objectives. The current geopolitical situation as a result of Russia's invasion of Ukraine is now an additional consideration. We also describe the main control measures implemented to mitigate the impact and/or probability of each risk:

| RISK | DESCRIPTION | CONTROL MECHANISMS |
|---|---|---|
| **Project management risk** | This risk is defined as the potential breach by a customer of its contractual obligations, e.g. the delay or failure to recognise work performed or a restoration of financial equilibrium that affects profitability. | To mitigate this risk, it is a key priority for OHLA to permanently monitor its projects from a technical and economic standpoint, and to analyse their status so that the necessary steps can be taken to correct any deviation. |
| **Contracting risk** | This is the risk of not identifying market opportunities in time or, after identifying an opportunity, the risk of not defining the bid appropriately due to a lack of resources or qualifications. | OHLA continues to work on strengthening the bidding process to ensure that bids are suitably aligned with the objective of ensuring profitability and cash generation, and that the necessary resources (e.g. human resources, equipment, guarantees) are available in due course for the fulfilment of the contracts). |
| **Price volatility and resource scarcity risks** | OHLA 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 that the Group requires to carry on its operations. There might also be shortages or logistics disruptions that could cause delays in deliveries or the provision of goods and services. | OHLA continuously monitors its contracts and works to improve contract management and minimise the impact of these situations. |
| **Market and business environment 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. Changes in foreign exchange rates and interest rates can affect both OHLA's expected margins on projects and the investment decisions of market agents. Meanwhile, political and territorial disputes among EU Member States add a further element of uncertainty. | OHLA focuses its business on geographic areas considered stable and in which it has a permanent presence so that mitigating measures can be put in place in the event that any of the aforementioned risks materialise. |

| RISK | DESCRIPTION | CONTROL MECHANISMS |
|---|---|---|
| **Personnel risk** | This risk relates to the ability to satisfy the performance obligations of projects with the right personnel and at the right time. | OHLA's policy on personnel management and talent attraction/retention is a key priority in continuing to ensure the best possible expertise of its employees. During the year, these aspects were also affected by the ongoing health crisis and its management, given the travel and other restrictions imposed in each territory and the preventive measures deployed at the Company's work centres. In addition, the pandemic led to changes in worker attitudes and in their expectations about working conditions. All of this is certainly affecting the current labour market and leading to labour shortages or increased labour costs. In response, OHLA continues to undertake specific training and talent management programmes. |
| **Systems and cybersecurity risk** | Market and business trends, with continuous and rapid changes, require adapting systems to new realities quickly. This poses a risk for the Group if it does not have optimal systems.<br>Meanwhile, OHLA faces a risk of cyberattacks that could compromise the security and the operations of the Company's assets, potentially affecting the normal course of business operations and causing leaks of sensitive information. | OHLA analyses all the Group's systems to improve the reliability and efficiency of information processes, while keeping close track of the market to find the most innovative solutions.<br>OHLA has procedures in place for security risk management, personal data privacy, IT system vulnerability management, security incident response and information restoration to ensure the protection of IT assets and preserve information security. It also continues to implement measures to protect employees' assets, communication networks and IT systems in order to raise the level of security, in aspects such as anti-ransomware protection, monitoring of communications and data back-ups, thus enabling the recovery of systems and data in the event of a serious incident.<br>During the period, OHLA did not encounter any serious security incidents that might have significantly affected the Company's operations. However, constant threats in the field of technological security include attempted attacks which are either stopped by the protection and detection mechanisms in place or, if they do manage to bypass these controls, are effectively mitigated without having a significant impact, thanks to the level of employee awareness and the process of responding to security incidents. |
| **Litigation and arbitration risk** | This is the risk that the outcome of lawsuits or arbitration proceedings related to disputes with customers will be rulings against OHLA's interests. | OHLA continuously monitors lawsuits and arbitration proceedings to defend its rights. It also continues to work on strengthening the contractual management of projects to mitigate the consequences of these events or prevent them from occurring in the first place. |
| **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. | The Group has studied and evaluated the assumptions underlying the economic models for its main assets.<br>Note E.5 of the Company's Annual Corporate Governance Report describes the measures taken to mitigate this risk. |

| RISK | DESCRIPTION | CONTROL MECHANISMS |
|---|---|---|
| **Financial risks** | Financial risks are risks that 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, exchange rate, credit and liquidity risks. | The financial restructuring process resulted in the necessary restoration of the Group's financial equilibrium, with stronger capital, increased liquidity and lower debt. However, the agreements reached within the context of the structuring process led to certain restrictions on the Group's ability and freedom to use its finances as its sees fit.<br>Note 4.2 — Risk Policy of the Group's financial statements describes the measures taken by OHLA to mitigate this risk. |

**Other risks** that might affect the achievement of the Company's objectives are as follows:

| RISK | DESCRIPTION | CONTROL MECHANISMS |
|---|---|---|
| **Reputational risk** | The potential negative impact on OHLA's public image and how it is perceived within the market. This risk refers particularly to the organisation's loss of financial solvency and technical, operational, ethical, social and environmental credibility vis-à-vis its stakeholders. | OHLA has standards, processes and tools in place to assess the external and internal behaviour of third parties, including their social and environmental responsibility and financial and technical performance. These mechanisms also show whether they are included on sanctions lists, thus providing valuable insight into the third party before any contractual commitments are assumed.<br>OHLA also has a Code of Ethics that everyone within the organisation must abide by, including a Whistleblower Channel. The company has zero tolerance of corruption. OHLA and various Group companies have ISO 37001 (anti-bribery management system) and UNE 19601 (management system for criminal compliance) certification.<br>In addition, the rebranding and new image has helped to reinforce the message of the start of a new era. This, coupled with improved earnings and results, is expected to boost confidence in the Group up. |
| **Foreign currency risk and local currency depreciation** | Defined as the adverse trends in the exchange rate of two currencies, over a specific period, with effects on the statement of profit or loss. It also considers the risk of loss of purchasing power in local currency. | Note 4.2 — Risk Policy of the Group's financial statements describes the measures taken by OHLA to mitigate this risk. |
| **Risk of climate change and natural disasters** | OHLA has a direct impact on the environment, e.g. through its consumption of natural resources and energy, and also an indirect impact. It is fair to say that there are two types of climate change risks that impact OHLA:<br>Physical risks, which are those arising from the increasing severity and frequency of extreme weather events or from a gradual and long-term change in the Earth's climate. These risks can affect businesses directly through damage to assets or infrastructure, or indirectly by disrupting their operations or making their activities no longer viable.<br>Transition risks, meaning those risks associated with the transition to a low-carbon economy in response to climate change, arising from changes in legislation, the market, or consumers, among others, to mitigate and address the requirements of climate change. | OHLA has an environmental management strategy focused on the responsible use of natural resources, the circular economy, the protection and conservation of biodiversity and the fight against climate change. In addition to this responsible behaviour and to protect itself from natural disasters, OHLA has the necessary insurance coverage, ensures contractual management with customers and has a local presence in all the countries where it operates.<br>OHLA will continue to follow the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure), which focus on four areas: governance, strategy, risk management, and metrics and targets.<br>An initial diagnosis was carried out in late 2021 with the collaboration of an independent third party, to find out where OHLA stands with regard to this matter. A roadmap was then drawn up based on the maturity analysis carried out for each recommendation to undertake specific actions, ranked according to their complexity and priority. |

| RISK | DESCRIPTION | CONTROL MECHANISMS |
|---|---|---|
| **Occupational risks** | Defined as the inadequate management and prevention of risks that may lead to occupational accidents. | OHLA has been forced to take urgent measures in response to the global health crisis, and its management has focused on ensuring the safety of all the Company's employees, by adopting preventive measures at all workplaces and promoting teleworking.<br>One of OHLA's key policies is the prevention of occupational risks and to succeed in this task it runs an Integrated Management System (IMS) that complies with the ISO 45001 standard on Occupational Health and Safety Management Systems. |
| **Risks of human rights abuses** | Risks associated with the violation of fundamental rights and freedoms of individuals. | The company has a set of internal regulations, including the Human Rights Policy and the Code of Ethics. Stakeholders such as employees, suppliers or the local community can report human rights abuses through the Code of Ethics.<br>OHLA carries out regular assessments of human rights compliance, both at its fixed centres and at work sites, and the Internal Audit Department reviews compliance as part of its audit plans. Company employees also undergo regular training in the subject.<br>Meanwhile, all suppliers must show compliance with the Ten Principles of the Global Compact before they can be approved. |

All of the above risks are the most representative risks faced by OHLA and are common to its several businesses.

The Audit and Compliance Committee seeks to improve risk management, which is a priority for OHLA. In 2021, we made progress in several areas of action:

- Review of standards and policies.
- Updating of the Risk Map.
- Ongoing updating of the Country Risk Model.
- Update of red lines.
- Preventive analysis of OHLA's risk management facing third parties.
- Internal control system improvement.

In fiscal year 2022, OHLA will continue to analyse the risks and opportunities it faces and anticipate the actions required to mitigate their impact or leverage their benefits.

# Our performance

## STATEMENT OF PROFIT OR LOSS

| | 2021 | 2020 | % change |
|---|---|---|---|
| **Revenue** | **2,778.6** | **2,830.7** | **-1.8%** |
| Other operating income | 125.7 | 51.2 | 145.5% |
| **Total operating income** | **2,904.3** | **2,881.9** | **0.8%** |
| Margin, % | 104.5% | 101.8% | |
| Operating expenses | -1,998.4 | -2,059.3 | -3.0% |
| Staff costs | -814.7 | -755.1 | 7.9% |
| **EBITDA** | **91.2** | **67.5** | **35.1%** |
| Margin, % | 3.3% | 2.4% | |
| Amortisation and depreciation | -77.4 | -74.6 | 3.8% |
| Provisions | 10.7 | -1.4 | N/A |
| **EBIT** | **24.5** | **-8.5** | **N/A** |
| Margin, % | 0.9% | -0.3% | |
| Finance income and costs | 26.4 | -36.6 | N/A |
| Remeasurement of financial instruments at fair value | -10.8 | -17.9 | -39.7% |
| Exchange differences | 2.6 | -1.8 | -244.4% |
| Impairment and gains/(losses) on disposal of financial instruments | 2.3 | -63.0 | N/A |
| **Financial profit/(loss)** | **20.5** | **-119.3** | **N/A** |
| Share of profit/(loss) of companies accounted for using the equity method | -2.7 | 0.7 | N/A |
| **Profit/(loss) before tax** | **42.3** | **-127.1** | **N/A** |
| Margin, % | 1.5% | -4.5% | |
| Income tax expense | -36.2 | -23.0 | 57.4% |
| **Profit/(loss) for the year from continuing operations** | **6.1** | **-150.1** | **N/A** |
| Margin, % | 0.2% | -5.3% | |
| **Profit/(loss) after tax for the year from discontinued operations** | **0.0** | **0.0** | **n.m.** |
| **Consolidated profit/(loss) for the year** | **6.1** | **-150.1** | **N/A** |
| Margin, % | 0.2% | -5.3% | |
| Non-controlling interests | -0.2 | -1.1 | n.m. |
| Non-controlling interests of discontinued operations | 0.0 | 0.0 | n.m. |
| **Profit attributable to the parent** | **5.9** | **-151.2** | **N/A** |
| Margin, % | 0.2% | -5.3% | |

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

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

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

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

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

**Financial** profit amounted to EUR 20.5 million in 2021, compared to a financial loss of EUR 119.3 million in 2020. Performance was affected by the significant impact of the Restructuring carried out by the Group, as explained in the first half and detailed in the appendices to this report, as follows:

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

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

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

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

**Impairment and gains/(losses) on disposals of financial instruments** amounted to EUR 2.3 million, thanks mostly to the sale of the Toledo Hospital and the Aguas de Navarra concession operator. Detracting from the gains, however, were the impairment recognised on the profit participating loan to Aeropistas S.L. (EUR 18.6 million loss), due to its low probability of recovery given the adverse court rulings in the related litigation, and due to the impairment of the Canalejas Project (EUR 14.5 million loss), due to higher investment and costs caused by the delay in the opening of the shopping centre and the lower margins on the project, which is still feeling the effects of the pandemic.

This compared with a negative EUR 63.0 million in 2020, which included an impairment loss of EUR 35.8 million on receivables from Grupo Villar Mir (GVM) and another write-down to the investment in Canalejas of EUR 15.6 million, among others.

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

**Profit before** tax amounted to EUR 42.3 million, equal to 1.5% of revenue, compared to a loss before tax of EUR 127.1 million in 2020.

**Profit/(loss) attributable to the parent** amounted to EUR 5.9 million, equal to 0.2% of revenue, compared to the EUR 151.2 million loss recorded in 2020. This shows the Group has made a strong recovery.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 12/31/2021 | 12/31/2020 | % change |
|---|---|---|---|
| **Non-current assets** | **842,9** | **1.137,80** | **-25,9%** |
| Intangible assets | 194 | 162,6 | 19,3% |
| Concession infrastructure | 0,7 | 75,1 | -99,1% |
| Property, plant and equipment | 222,9 | 144,7 | 54,0% |
| Investment properties | 4,3 | 4,3 | 0,0% |
| Investments accounted for using the equity method | 167,2 | 295,1 | -43,3% |
| Non-current financial assets | 145 | 306,9 | -52,8% |
| Deferred tax assets | 108,8 | 149,1 | -27,0% |
| **Current assets** | **2.219,5** | **2.017,2** | **10,0%** |
| Non-current assets held for sale | 32,5 | 0 | n.a |
| Inventories | 100,2 | 86,3 | 16,1% |
| Trade and other receivables | 1.196,5 | 1.136,30 | 5,3% |
| Other current financial assets | 334,8 | 194,9 | 71,8% |
| Other current assets | 48 | 128,7 | -62,7% |
| Cash and cash equivalents | 507,5 | 471 | 7,7% |
| **Total assets** | **3.062,4** | **3.155,0** | **-2,9%** |
| **Equity** | **620,4** | **460,3** | **34,8%** |
| **Capital and reserves** | **654,1** | **516,9** | **26,5%** |
| Share capital | 147,8 | 171,9 | -14,0% |
| Share premium | 1.328,10 | 1.265,30 | 5,0% |
| Reserves | -827,7 | -769,1 | 7,6% |
| Profit/(loss) for the period attributable to equity holders of the parent | 5,9 | -151,2 | -103,9% |
| **Valuation adjustments** | **-29,8** | **-53,3** | **-44,1%** |
| **Equity attributable to equity holders of the parent** | **624,3** | **463,6** | **34,7%** |
| **Non-controlling interests** | **-3,9** | **-3,3** | **18,2%** |
| **Non-current liabilities** | **675,8** | **833,5** | **-18,9%** |
| Deferred income | 0,3 | 0,6 | -50,0% |
| Non-current provisions | 64 | 63,7 | 0,5% |
| Non-current financial debt* | 488 | 642,5 | -24,0% |
| Other non-current financial liabilities | 24,9 | 33,8 | -26,3% |
| Deferred tax liabilities | 75,3 | 78,8 | -4,4% |
| Other non-current liabilities | 23,3 | 14,1 | 65,2% |
| **Current liabilities** | **1.766,2** | **1.861,2** | **-5,1%** |
| Liabilities associated with non-current assets held for sale | 0 | 0 | n.a. |
| Current provisions | 197,3 | 210,4 | -6,2% |
| Current financial debt* | 35,5 | 106,6 | -66,7% |
| Other current financial liabilities | 15,9 | 16,9 | -5,9% |
| Trade and other payables | 1.302,8 | 1.306,4 | -0,3% |
| Other current liabilities | 214,7 | 220,9 | -2,8% |
| **Total equity and liabilities** | **3.062,4** | **3.155,0** | **-2,9%** |

* includes bank borrowings + Notes

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## Changes in the statement of financial position

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

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

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

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

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

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

**Non-current financial assets:** a balance of EUR 145.0 million, down from EUR 306.9 million at year-end 2020; i.e. a decrease of EUR 161.9 million. Behind this were the events related to subsidiary **Cercanías Móstoles Navalcarnero S.A. ("Cemonasa")**, currently in liquidation and under the management of an insolvency administrator, which had receivables from the Madrid regional government (the "CAM") in August 2021 of EUR 18.3 million and that, in December 2021, pursuant to a decision by the CAM, announced the receipt of an additional EUR 188.9 million (including EUR 25.9 million of VAT).

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

Another items of note were the impairment of the profit participating loan to Aeropistas, S.L., in an amount of EUR 18.6 million, and other balances receivable from the Old War Office project.

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

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

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

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

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

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

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

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

**Equity attributable to equity holders of the parent:** EUR 624.3 million at year-end 2021, representing 20.4% of total liabilities and up EUR 160.7 million from 31 December 2020, due to the net impact of:

Net attributable profit for 2021 of EUR 5.9 million.

The Restructuring, which resulted in an increase in capital and reserves of EUR 129.9 million due to:

- Cash Capital Increase of EUR 71.4 million
- Debt-Equity Swap amounting to EUR 58.5 million
- Increase of EUR 24.9 million due to cash flow hedge reserves and other

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

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

| Gross debt [1] | 31/12/21 | % | 31/12/20 | % | % change |
|---|---|---|---|---|---|
| Recourse debt | 523,5 | *100,0%* | 697,9 | *93,2%* | -25,0% |
| Non-recourse debt | 0 | *0,00%* | 51,2 | *6,8%* | -100,0% |
| **Total** | **523,5** | | **749,1** | | **-30,1%** |

EUR m

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

| Net debt [2] | 31/12/21 | % | 31/12/20 | % | % change |
|---|---|---|---|---|---|
| Recourse debt | -317,9 | *99,7%* | 33,6 | *40,4%* | N/A |
| Non-recourse debt | -0,9 | *0,3%* | 49,6 | *59,6%* | N/A |
| **Total** | **-318,8** | | **83,2** | | **N/A** |

EUR m

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

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

| Note refinancing | |
|---|---|
| Old Notes, net | 590,0 |
| New Notes, nominal | 487,3 |
| Change | (102,7) |
| New Notes, fair value (*) | (44,2) |
| Other changes | (27,5) |
| **Final change** | **(174,4)** |

(*) PUnder IFRS 9 and IFRIC 19.

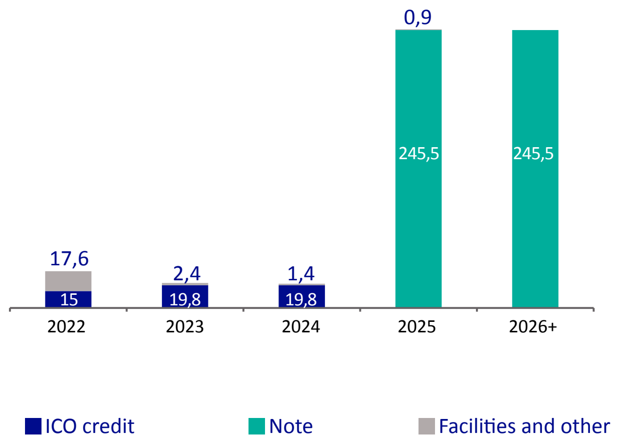
Although the Group reduced debt considerably, recourse liquidity improved by EUR 177.1 million thanks primarily to cash generation from the business (outperforming previous years), asset sales, the debt-for-equity swap and the transfer of EUR 135.6 million to current financial assets from Cemonasa.

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

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

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

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



## CASH-FLOW

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

| | 2021 | 2020 |
|---|---|---|
| **EBITDA** | **91,2** | **67,5** |
| **Adjustments to profit/(loss)** | **-48,8** | **-113,2** |
| Financial profit/(loss) | -36,2 | -119,3 |
| Share of profit/(loss) of companies accounted for using the equity method | -2,7 | 0,7 |
| Income tax expense | -36,2 | -23 |
| Changes in provisions and others | 26,3 | 28,4 |
| **Operating profit/(loss)** | **42,4** | **-45,7** |
| **Working capital changes** | **-69,2** | **-110,1** |
| Trade and other receivables | -24,5 | 135,9 |
| Trade and other payables | -3,6 | -255,6 |
| Other working capital changes | -41,1 | 9,6 |
| **Operating activities** | **-26,8** | **-155,8** |
| **Investing activities** | **185,7** | **17,3** |
| Non-controlling interests | -0,6 | 0,8 |
| Other cash flows from investing activities | 190,4 | 16,5 |
| Discontinued operation or held for sale | -4,1 | 0,0 |
| **Change in net non-recourse debt** | **-0,8** | **-1,6** |
| **Change in net recourse debt** | **-351,5** | **140,1** |
| **Note refinancing** | **143,2** | **0,0** |
| **Net capital increase** | **50,2** | **0,0** |
| **Cash flows (used in)/from financing activities** | **-158,9** | **138,5** |

EUR m

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

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

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

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

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

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



## BACKLOG

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

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

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

| | 31/12/2021 | % | 31/12/2020 | % | % change |
|---|---|---|---|---|---|
| **Short-term** | **5.381,0** | | **4.505,4** | | **19,4%** |
| Construction | 4.796,2 | 89,1% | 3.988,0 | 88,5% | 20,3% |
| Industrial | 75,8 | 1,4% | 122,6 | 2,7% | -38,2% |
| Services | 509,0 | 9,5% | 394,8 | 8,8% | 28,9% |
| **Long-term** | **426,5** | | **456,7** | | **-6,6%** |
| Infrastructure development | 426,5 | 100,0% | 456,7 | 100,0% | -6,6% |
| **Total** | **5.807,5** | | **4.962,1** | | **17,0%** |

EUR m

# Alternative performance measures

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

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

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

| Item | EUR m | |
|---|---|---|
| | Dec 21 | Dec 20 |
| Revenue | 2.778,6 | 2.830,7 |
| Other operating income | 125,7 | 51,2 |
| Operating expenses | -1.998,5 | -2.059,3 |
| Staff costs | -814,6 | -755,1 |
| Amortisation and depreciation | -77,5 | -74,5 |
| Change in provisions | 10,8 | -1,5 |
| **TOTAL EBIT** | **24,5** | **-8,5** |

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

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

| Item | EUR m | |
|---|---|---|
| | Dec 21 | Dec 20 |
| EBIT | 24,5 | -8,5 |
| (-) Amortisation and depreciation | 77,5 | 74,5 |
| (-) Change in provisions | -10,8 | 1,5 |
| **TOTAL EBITDA** | **91,2** | **67,5** |

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

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

| Item | EUR m | |
|---|---|---|
| | Dec 21 | Dec 20 |
| TOTAL EBITDA | 91,2 | 67,5 |
| (+) Interest income | 16,1 | 17,9 |
| (-) EBITDA of project companies | -4,3 | -4,5 |
| (-) Finance income of project companies | - | - |
| (+) Dividends from project companies | 2,1 | - |
| (-) Non-recurring expenses | - | - |
| **TOTAL RECOURSE EBITDA** | **105,1** | **80,9** |

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

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

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

| Item | EUR m | |
|---|---|---|
| | Dec 21 | Dec 20 |
| Issue of notes and other marketable securities (non-current) | 444,6 | 589,6 |
| Bank borrowings (non-current) | 43,4 | 52,9 |
| Issue of notes and other marketable securities (current) | 9,5 | 8,8 |
| Bank borrowings (current) | 26 | 97,8 |
| **TOTAL GROSS DEBT** | **523,5** | **749,1** |

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

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

| Item | EUR m | |
|---|---|---|
| | Dec 21 | Dec 20 |
| GROSS DEBT | 523,5 | 749,1 |
| (-) Current financial assets (*) | -334,8 | -194,9 |
| (-) Cash and cash equivalents | -507,5 | -471 |
| **TOTAL NET DEBT** | **-318,8** | **83,2** |

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

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

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

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

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

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

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

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

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

| Item | Dec 21 |
|---|---|
| Number of shares at end of period | 591.124.583 |
| Share price at end of period | 1,020 |
| **MARKET CAP (EUR m)** | **602,9** |

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

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

| Item | Dec 21 |
|---|---|
| Share price at end of period | 1,02 |
| Earnings per share | 0,01 |
| **P/E ratio** | **80,15** |

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

# SHAREHOLDER AND INVESTOR RELATIONS

## Stock market data

OHLA's share capital at 31 December 2021 amounted to EUR 147,781,145.8, represented by 591,124,583 shares of EUR 0.25 par value each, all of the same class and series.

In 2021, following the agreement reached with noteholders, banks, shareholders and other stakeholders for the financial restructuring and recapitalisation of the OHLA Group, an oversubscribed cash capital increase was successfully completed, so that the number of shares of the company increased from 286,548,289 shares to 591,124,583 shares, and the par value of capital per share decreased from EUR 0.60 per share to EUR 0.25 per share.

The share price ended December at EUR 1.0200 after gaining 65.3% in the year. OHLA ended 2021 with a market capitalization of EUR 602.9 million, far above the level of EUR 176.8 million at year-end 2020.

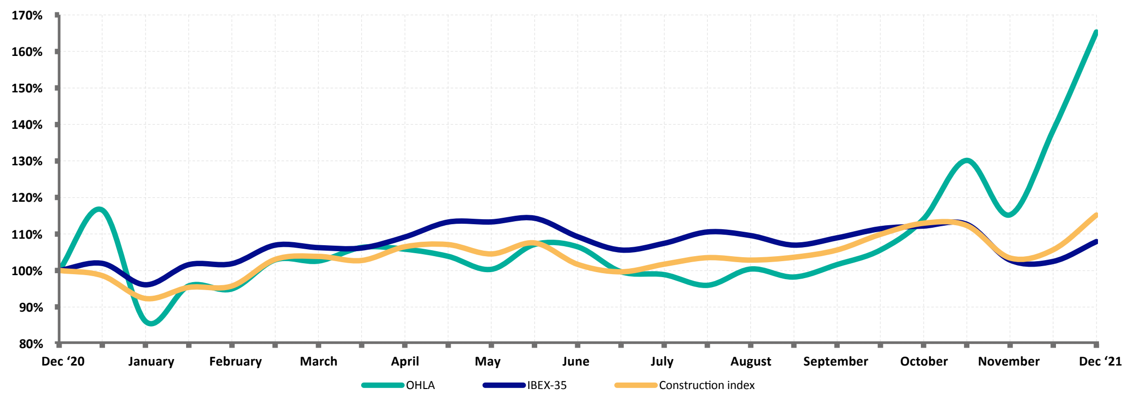
In 2021, the IBEX-35 index and the Construction index of the Spanish stock exchange, which rose 7.9% and 15.2%, respectively, both underperformed the OHLA share price, so there was a highly positive result for the OHLA Group.

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

At 31 December 2021, the Group held 541,296 treasury shares, all of which related to the liquidity agreement. This treasury share position, equal to 0.37% of the company's current share capital, remained relatively stable throughout the year. Given the OHLA share price at year-end, the treasury share position had a value of EUR 552,122.

## OHLA on the continuous market

### OHLA GROUP SHARE PRICE IN 2021




| OHLA | 12/31/2021 |
|---|---|
| OHLA closing price | 1,0200 |
| OHLA share price YTD | 65,3% |
| High | 1,0320 |
| Low | 0,4986 |
| Average | 0,6981 |
| Treasury shares | 541.296 |
| Value of treasury shares | 552.122 |
| % OHLA treasury shares | 0,092% |
| Total number of OHLA shares | 591.124.583 |
| Nominal value of OHLA share capital | 147.781.146 |
| Nominal value of share capital per share | 0,25 |
| Market capitalisation (EUR m) | 602,9 |
| Number of shares traded in the year | 466.157.352 |
| Number of shares traded daily in the year | 1.820.927 |
| Traded as % of total shares | 78,9% |
| Cash value traded in the year | 322.151.761 |
| Average daily cash value traded | 1.258.405 |
| Total trading days in the year | 256 |
| Ibex 35 index | 8.713,8 |
| Ibex 35 YTD performance | 7,9% |
| Construction Index in Spain | 1.735,5 |
| Construction Index YTD performance | 15,2% |
| Gross dividend paid out during the year | - |
| Net dividend paid out during the year | - |

*Fuente: Bolsas y Mercados Españoles & Bloomberg*

The OHLA Group share price reached a high of EUR 1.0320 in December 2021 and a low of EUR 0.4986 in June 2021. Hence, the share traded at an average price of EUR 0.6981 for the year.

The share prices stated above have not been adjusted for the effects of the debt restructuring and the capital increases completed in 2021. Instead, for ease of comparison, the actual closing prices are stated. The volatility of the share price in 2021 is also largely explained by:

- the Group's strong operating performance.
- the successful debt restructuring and recapitalisation transaction, and
- disclosures to the market throughout 2021 on revenue performance and deals closed under the plan to dispose of non-core assets.

## OHLA note issues now outstanding on the market

On 28 June 2021 the OHLA Group completed the restructuring of the notes maturing in March 2022 and March 2023, issuing a new note partly maturing in March 2025 and finally maturing in March 2026.

The key details of the note issue outstanding in the market are:

| Issuer | Maturity | Coupon | Outstanding balance | Quoted price | YtM |
|---|---|---|---|---|---|
| OHL S.A. | March 2022 | 4,750% | - | - | - |
| OHL S.A. | March 2023 | 5,500% | - | - | - |
| OHLA OPERACIONES | March 2026 | 6,600% | 487.3* | 93,466% | 10,356% |

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

## Communications with shareholders, investors, analysts and stakeholders

The OHLA Group's Investor Relations Department is located at the company's corporate headquarters (Paseo de la Castellana 259 D, Torre Emperador) in Madrid.

The department is responsible for communications with shareholders, investors, analysts, financial intermediaries and other stakeholders. The company aims to offer the utmost transparency and comparability in its financial reporting to the market.

Over the year, OHLA hosts a range of meetings, which are held online (due to the current pandemic) or face-to-face when circumstances permit. Attendees include sell-side and buy-side credit and equity analysts. We also hold domestic and international roadshows, General Meetings of shareholders, noteholder meetings, and one-off informational meetings. We provide several communication channels, such as the e-mail account relación.accionistas@ohla-group.com and the contact telephone number (+34) 91 3484157.

In 2021, in the wake of the restructuring and recapitalisation already explained to the market, the OHLA Group increased the number of domestic and international meetings. The number of fixed-income and equity analysts covering the company's securities has also risen. In addition, over the year we held two General Shareholders' Meetings and several meetings with noteholders to obtain the necessary approvals. Due to their significance, the year-end presentation of results and the General Shareholders' Meetings were streamed on the company's website to enable all stakeholders to form part of the audience.

In addition, OHLA publishes quarterly results, where the management team communicates directly with the financial community.

## Tax contribution

OHLA's contribution to society takes the form of giving back part of the wealth we create through taxes, thus contributing to the economic and social development of the countries where we operate.

Respect for legality, transparency and accuracy of disclosures are essential principles of conduct for OHLA. Therefore, the company complies with all tax obligations arising from its activities under prevailing laws and regulations in each of the territories in which it operates, and also complies with its own Tax Policy. We also report our total tax contribution, broken down by the main regions where the company is present.

In line with the above, OHLA adheres to the Code of Good Tax Practices of the Spanish revenue agency, AEAT. In 2017, the Board of Directors adopted the Group's Tax Policy, compliance with which is encouraged even at entities where OHLA only holds a non-controlling interest.

The Board of Directors is responsible for supervising transactions involving special tax risks and identifying and monitoring the Group's risks in general, a role it performs through the Audit and Compliance Committee ("the Audit Committee"). The Audit Committee's duties thus include supervising the operation and effectiveness of the Group's risk management and control system, including tax risks.

The following table shows the amounts paid by the Group's companies to the tax authorities in 2021 in the various jurisdictions in which the Group operates. A distinction is drawn between taxes paid, which are a cost borne by the Group, and taxes collected on behalf of third parties, which have no impact on the Group's profit or loss.

| | EUR thousand | | | |
|---|---|---|---|---|
| Country/region | Tax borne [1] | Tax collected [2] | Total | % of total |
| Spain | 100.492 | 157.986 | 258.478 | 71,3 |
| Eastern Europe | 8.796 | 7.853 | 16.650 | 4,6 |
| US and Canada | 15.327 | - | 15.327 | 4,2 |
| Mexico | 1.276 | 1.865 | 3.141 | 0,9 |
| Peru | 4.719 | 16.172 | 20.890 | 5,8 |
| Chile | 4.189 | 27.914 | 32.102 | 8,9 |
| Colombia | 1.738 | 2.605 | 4.344 | 1,2 |
| Norway | 34 | 4.298 | 4.332 | 1,2 |
| Other | 1.708 | 5.533 | 7.241 | 2,0 |
| Total | 138.279 | 224.226 | 362.505 | |

[1] Includes mainly taxes on profits and social security contributions as an employer.
[2] Shows mainly employment-related taxes borne by employees and VAT collected.

The most significant item in the Group's tax contribution comprises taxes arising from employment, which came to EUR 246,686 thousand (2020: EUR 196,317 thousand).

The corporate income tax payment arising from Group companies' businesses was EUR 14,605 thousand. The breakdown of this amount by country or region is as follows: Spain 33.1%; United States and Canada 15.4%; Peru 17.7%; Colombia 9.0%; Eastern Europe 4.5%; other countries 20.3%.

| Profit before tax | 2021 |
|---|---|
| Spain | (54.734) |
| Czech Republic/Eastern Europe | 5.760 |
| Chile | 57.149 |
| Colombia | (10.083) |
| Mexico | 564 |
| Peru | 17.232 |
| United States and Canada | 21.979 |
| Rest of the world | 4.517 |
| **Total** | **42.384** |

*EUR thousand*

| Government grants received | 2021 |
|---|---|
| Government grants received | 15 |

*EUR thousand*

***Does not include information on training aid and subsidies.***

## Key inside information / Other relevant, regulated and corporate information

- 21 January 2021: Agreement to support the recapitalisation of the Company and renegotiation of certain Group borrowings.
- 25 January 2021: Downgrade by Fitch Ratings of OHL's corporate family rating and senior unsecured debt ratings.
- 26 January 2021: Downgrade by Moody's Ratings of OHL's probability of default rating (PDR) from Caa2-PD to Ca-PD.
- 24 February 2021: Disclosure on the debt owed to the Company by Grupo Villar Mir, S.A.U. and Pacadar, S.A.U.
- 25 February 2021: Commitment made by the Group's main lender financial institutions to support the recapitalisation and renegotiation of certain Group borrowings.
- 16 and 18 March 2021: Recapitalisation of the Company and renegotiation of certain Group borrowings: Convening hearing in the UK court and its outcome.
- 26 March 2021: Holding of the Extraordinary General Shareholders' Meeting and announcement of the resolutions adopted.
- 9 and 15 April 2021: Recapitalisation and renegotiation of certain Group borrowings: Scheme Meeting of Creditors and Order of Approval of Scheme.
- 13 April 2021: Disclosure on the sale of the ownership interest in the Nuevo Hospital de Toledo concession company.
- 13 April 2021: Moody's maintains OHL's corporate family rating and the rating of its two notes issues, appending the limited default ("/LD") indicator to the Ca-PD probability of default rating (PDR).
- 22 April 2021: Share capital reduction: entry in the Madrid Companies Register of the share capital reduction deed (and consequent Bylaw amendment). Reduction of par value to EUR 0.25 per share (from EUR 0.60 per share).
- 24 June 2021: Sale of stake in the Old War Office project.
- 24 June 2021: Disclosure of the final cash amount of the Rights Issue and the Private Placement.
- 25 and 28 June 2021: Notarial acts of execution of the Cash Capital Increases, capitalisation and admission to trading of 304,576,294 new OHL shares.
- 28 June 2021: The company reports that all restructuring transactions are complete.
- 6 July 2021: Moody's upgrades OHL's corporate family rating (CFR) to Caa1, positive outlook, and the probability of default rating (PDR) to Caa1-PD, removing the appendix "LD".
- 13 July 2021: Launch of the new OHLA brand and change of ticker.
- 29 July 2021: Changes in the composition of the Board of Directors and Committees.
- 16 September 2021: Fitch upgrades OHLA's long-term IDR to "CCC+" from "RD". The Company also reports that, for business reasons, it has cancelled the agreement with Fitch Ratings.
- 18 October 2021: Judicial homologation (court certification) of the refinancing agreement related to the Restructuring was approved by Madrid Commercial Court No. 2.
- 19 October 2021: Sale of the ownership interest in Centre Hospitalier de l'Université de Montréal (CHUM), subject to conditions precedent
- 30 November 2021: The Company submits its Regulations of the General Shareholders' Meeting and the Regulations of the Board of Directors.
- 28 December 2021: The Company reports about the payment received from by subsidiary Cercanías Móstoles Navalcarnero, S.A. (CEMONASA) from the Madrid regional government.

## Key inside information / Other relevant, regulated and corporate information after the reporting period

- 4 February 2022: The Company discloses that it will reduce its borrowings (repayment in full of the outstanding EUR 54,501,998.31 of principal on the ICO-backed loan and partial tender offer for a maximum principal amount of EUR 43,203,583.89 addressed to holders of its secured notes).
- 9 February 2022: The Company announces the signing of a relationship protocol between OHLA Group and CAABSA Group for their construction operations.
- 8 March 2022: Moody's upgraded the corporate family rating (CFR) to B3, outlook positive, from Caa1.

# Sustainable business

Environmental sustainability as applied to companies' own business is an essential requirement in the market for access to new finance and business opportunities and a top priority for our stakeholders. OHLA aims to create a positive impact with its projects, minimising its environmental footprint and driving the social and economic development of its host communities.

The company's new strategic approach to environmental sustainability requires innovation and respect and care for the planet, and these are now key features of the Group's new Sustainability Plan. In 2021, although still hindered in many respects by the Covid-19 pandemic, the company was able to specify the detail of these actions, thus laying the groundwork for the coming years.

In addition, the company reinforced and widened the scope of its initiatives and commitments in the fight against climate change, protection of resources and biodiversity, integration of the circular economy with production processes and commitment to energy efficiency, among other key aspects of sustainability.

## Challenges, lines of action and targets for 2022-2024 in terms of Sustainable Business

### CLIMATE CHANGE

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| Progressive decarbonisation of OHLA | Designing the roadmap | Engage an external company to undertake the decarbonisation project. Define the work plan | Approve the roadmap | - | 13 |
| | Reducing emissions intensity | Reduce emissions intensity* by 35% vs. 2017 | Reduce emissions intensity* by 37% vs. 2017 | Reduce emissions intensity* by 40% vs. 2017 | |

* (Scopes 1 + 2 ) / Sales (tCO2e (EUR million)

### CIRCULAR ECONOMY

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| Application of circularity criteria to projects | Increasing non-hazardous waste (NHW) not send to landfill | Not send ≥ 75% of NHW to andfill | Not send ≥ 78% of NHW to landfill | Not send ≥ 80% of NHW to landfill | 12 |
| | Promoting the use of environmentally friendly materials | - | Launch an awareness-raising campaign on the catalogue of sustainable building materials | Promote the use of environmentally friendly materials (Construction)<br>Double the number of EU Ecolabel (EEA) certified centres (Services) | 11,12 |
| | Quantifying our water footprint and championing efficient water management, especially by reducing water withdrawal in construction processes | Gather information for the development of a water footprint calculator | Calculate OHLA's water footprint | Track and report OHLA's water footprint on an annual basis | 6,12 |

### BIODIVERSITY

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| Good practices in biodiversity | Implementing good biodiversity practices at work and project sites | Promote good biodiversity practices in construction projects | Promote good biodiversity practices in construction projects | Promote good practice and create a Natural Capital Valuation (Construction) pilot project<br>Use biocides at 100% of sites (Services) | 14,15 |

## SUSTAINABLE CONSTRUCTION

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Promotion of sustainable construction practices and techniques** | Training in sustainable certification, such as LEED and BREEAM | Launch the sustainable certification training programme | Increase the number of employees trained with this type of certification | Increase the number of employees trained with this type of certification | 9,11 |

## ON-SITE MOBILITY AND EFFICIENCY

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Efficient management of buildings** | Maintaining or increasing the % of sites certified under the integrated management system (ISO 14001, 9001, 45001) | Have >90% sites certified (ISO 14001, 9001, ISO 45001) | Have >90% sites certified (ISO 14001, 9001, ISO 45001) | Have >90% sites certified (ISO 14001, 9001, ISO 45001) | 3,6,7,9, 13,15 |
| | Reducing office consumption of paper | Reduce paper by 5% vs. 2017* | Reduce paper by 6% vs. 2017* | Reduce paper by 9% vs. 2017* | 12 |
| | Entering into green energy or renewable energy purchase agreements for the offices | Have 20% of offices using green energy ** | Have 50% of offices using green energy ** | Have 100% of offices using green energy ** | 7,13 |
| **Efficient travel management** | Replacing the current fleet of own vehicles with eco or zero-emission vehicles | Have 25% of the Senior Management fleet, 10% of the Services fleet and 10% of the Construction fleet with eco or zero emission label | Have 50% of the Senior Management fleet, 15% of the Services fleet and 15% of the Construction fleet with eco or zero emission label | Have 100% of the Senior Management fleet, 25% of the Services fleet and 25% of the Construction fleet with eco or zero emission label | 7,13 |

* Total consumption per office employee

** Percentage to be calculated on the basis of the phasing plan put in place, which will consider both contract renewal dates and the inherent feasibility of the changeover (existence of supplier, cost)

## SUSTAINABLE TENDERS

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Application of sustainability criteria to tenders** | Creating the Green Paper | Identify the criteria to be included in the Green Paper | Create and disseminate the Green Paper | Update the Green Paper, if necessary, to reflect possible new requirements | 6,7,12, 13 |

## INNOVATION AND TRANSFORMATION

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Alignment of innovation and transformation projects with sustainability** | Identifying innovation projects that contribute to the fight against climate change and strengthen aspects of social commitment | Create the project/impact matrix | - | Have 80% of innovation projects with a positive impact on society | 9 |
| | Getting the geographical areas involved in innovation initiatives | - | Promote the development and performance of in-house R&D or innovation projects | Get every area involved in innovation initiatives<br>Promote the development and performance of own R&D or innovation projects | |
| | Making sustainability indicators part of the tender scorecard | Identify sustainability indicators to be included | Include indicators in P&C | Implement the tender information system, incorporating the new sustainability indicators | 9 |
| | Making sustainability indicators part of construction work digitalisation processes | Include at least one new pilot project | - | Incorporate these sustainability concepts in all new construction projects* | |

*New construction projects means the new projects undertaken in each financial year

## Culture of innovation and transformation

### Our pledge to innovation

In line with the guidelines under its Innovation Policy adopted in 2019, over the course of 2021 OHLA continued to develop and implement new technologies, processes, products and services to raise its productivity, reduce costs, sharpen its competitive edge and set itself apart from the competition. These achievements will contribute to the sustainable growth of the Group.

Over the year, innovation spread throughout all our geographies and business lines: for example, in the framework of the Technological Innovation in Construction Awards, 27 candidatures from seven different countries were presented, while Ingesan became one of six OHLA Group companies with an R&D Management System certified to the UNE 166:002 standard, which enables a company to demonstrate to third parties that it has in place a systematic innovation capability.

In addition to innovating in OHLA's current lines of activity, in 2021 a collaborative exercise involving employees personnel from all areas of the Group was conducted to identify forward-looking, transformational and sustainable business opportunities. These initiatives could be undertaken as public or public-private partnerships co-financed with the new recovery and transformation funds, such as the Next Generation EU funds.

The lines of action now being explored concern innovation in renewable energy, circular construction, energy rehabilitation in buildings, digitalisation in works and services, and urban mobility infrastructure. Examples of actions undertaken in 2021 include: the alliance signed among OHLA, Endesa and Bankinter for the energy rehabilitation of owners' associations; progress in the development by our subsidiary Ecoventia of proprietary patented technology for high-rise prefabricated concrete towers for wind turbines; the asphalt waste recycling line of the machinery fleet and the subsidiary ELSAN; and the introduction of new digital assistance services by the Services business division. To promote and support these lines of innovation, we set up a centralised support office for Next Generation EU projects.

We brought together a working group to look at the Group's potential involvement in and support for initiatives promoted by the Spanish government using Next Generation EU funds.

**Digitaliza** tu obra
**Digitize** your construction site

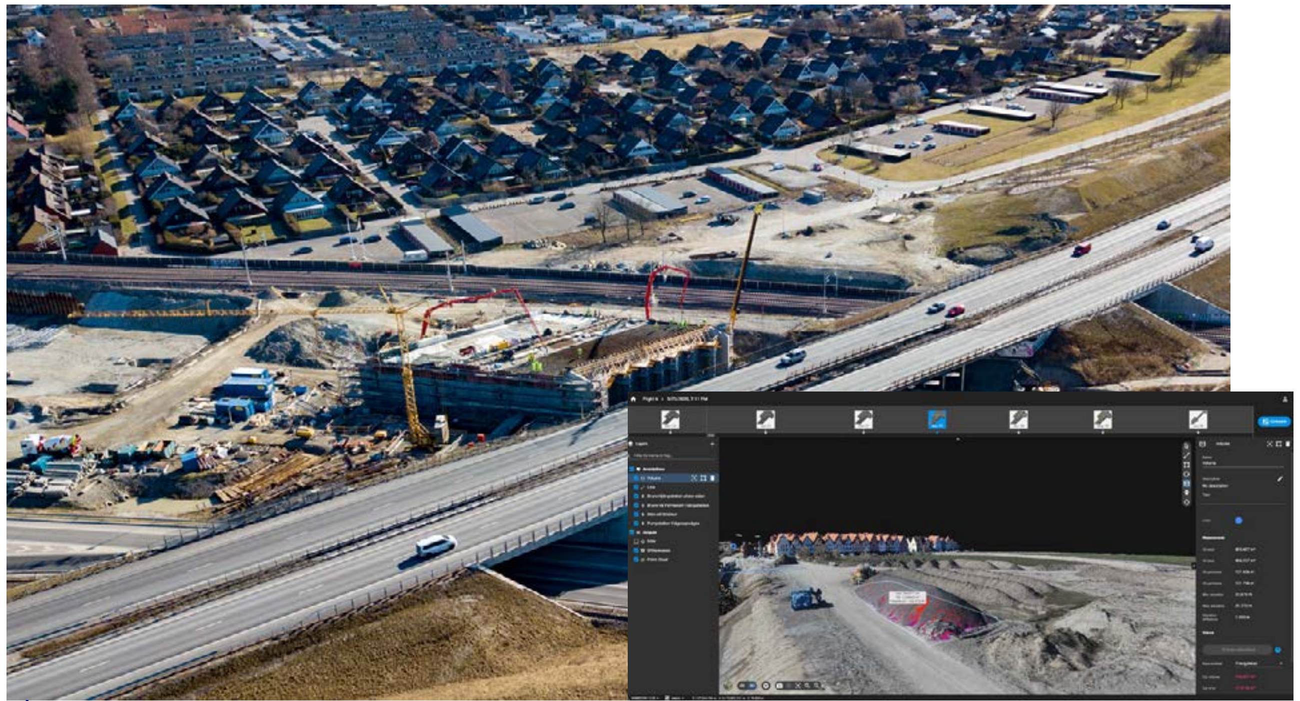
Another focus area in 2021 was the introduction of agile, open and collaborative innovation methodologies, such as Ingesan's "Innovation Engine" and the "Digitalise your construction site" programme in the Construction division. Launched the previous year, both initiatives were expanded in 2021 to identify opportunities and design and implement pilots in partnership with technology firms and start-ups.

As part of the "Digitalise your construction site" initiative, we created an internal web-based platform to support knowledge, testing, validation and scaling of digital tools that enhance productivity, improve control and reduce risks at OHLA's construction sites. Aimed at site-based teams, the website is continuously added to, with case studies, first-person accounts of experiences with the new approach in the countries where the company operates and success stories in the market.

Comunidad
BIM

Division-wide implementation of the BIM (Building Information Modeling) methodology also played a leading role in 2021. OHLA's BIM Community benefited from the opening of a new internal web-based channel, where employees can: learn about the company's more than 200 BIM experiences of the past 10 years (in 72 different projects, in 17 countries); read about the first-person experiences and views of participating colleagues; receive training to acquire the skills needed for BIM profiles now in place at OHLA; access internal guides and recommendations on the subject; and connect with the company's leading BIM experts globally, to ask them questions or request advice.

In 2021, OHLA's more specialised companies and teams continued their R&D activities, with interesting projects in areas such as sustainable road surfaces and pavements (ELSAN), maritime building works machinery (SATO), track maintenance machinery (G&O), industrial equipment (Mining&Cement) and advanced construction solutions (Ecoventia, SATO). As to use of proprietary technologies, Cubipod, an innovative tool for construction of port docks developed and patented by SATO in partnership with the Universidad Politécnica de Valencia, was exported to a new country, Ghana.



Linear works management supported by digital models: 1st Prize at the 2021 Innovation Awards.

Premios a la Innovación Tecnológica en Construcción

In December 2021, OHLA hosted the ceremony for its in-house Technological Innovation in Construction Awards, which recognise innovative and pioneering initiatives within the company's construction projects.

Among the winning initiatives there were technical solutions, such as: the highly complex hybrid tunnel designed and executed for the AVO I Concession in Santiago, Chile; the mobile tunnel ventilation and filtration gantry developed by Judlau for the Canarsie Tunnel rehabilitation project in New York; or the self-propelled hopper for unloading zinc concentrate from ships to conveyor belts, designed and manufactured by OHLA Industrial Mining & Cement for the Port of Avilés, Spain.

También se premiaron sendas innovaciones digitales en obra: los cuadros Awards were also given to two digital innovations in construction: the dashboards developed for the Northern region of Latin America, based on construction management systems; and the digital model-driven management tools and methods used in the Lund-Arlöv railway project in Malmö, Sweden.

Hybrid tunnel, AVO I Concession, Santiago, Chile.

## Commitment to the planet

### Our climate action strategy

Over the past few decades, there has been growing concern about harm to the environment and climate change. For this reason, OHLA now regards the fight against, mitigation of and adaptation to climate change as one a mainstay of its agenda, in the short and long term alike. In line with the company's overall procedures, OHLA takes a specific approach to risk assessment and management, including environmental and climate risks.

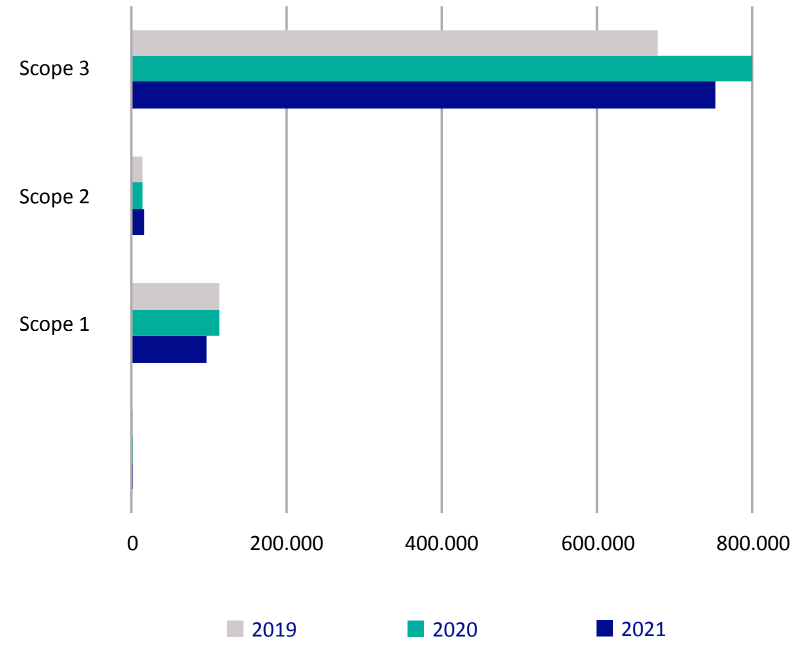
Climate change involves risks, but also business opportunities: in 2021, therefore, OHLA reinforced its commitment to renewable energy. The company's backlog includes more than 20 renewable energy contracts, including completed projects and projects under construction, with a total installed capacity of more than 1,000 MW in Europe, the Americas and Asia: the energy generated could supply approximately 180,000 homes for a year. Some of the company's most recent contract awards include the Medinas de las Torres photovoltaic plants in Badajoz, Spain, and the Coya plant in Chile.

As to opportunities, the company focuses on efficiency in use of resources, process optimisation and recycling, low-emission energy resources and highly efficient technologies. Specifically, in 2021 OHLA continued to work towards its emissions reduction targets across all its businesses, with the following actions:

- Commitment to clean renewable energy, at offices, building works and project sites
- Use of a sustainable fleet and reduction of fossil fuel use
- Regular overhaul and maintenance of construction machinery
- Development, application and promotion of sustainable construction standards at building works and project sites
- Reduction in business travel through preference for online meetings
- Preference for rail over air travel for business trips
- Agreements with automobile companies committed to sustainable mobility
- Support for purchase of goods/engagement of services from local suppliers/providers
- Application of sustainability criteria in supplier approval procedures

**FURTHER INFORMATION:**
**Appendix 2**
Environmental performance indicators

Emissions performance (t $CO_2$ equivalents)



Facing the challenges of climate change requires a proactive, progressive and planned approach, with a high level of commitment at all levels of the company. This is OHLA's chosen approach, which will enable us to embed key actions in business operations so as to achieve the emission reduction targets set out in the 2022-2024 Sustainability Plan. We will thus lay the groundwork for achieving our highest ambitions in this regard, while supporting compliance with EU and national requirements and regulations, creating new business opportunities and reinforcing the organisation's economic sustainability.

Specifically, in the climate action field, the main challenge set by the Sustainability Plan is gradual decarbonisation of OHLA, through two priority lines of action:

- Designing a gradual roadmap for the company's decarbonisation that will enable OHLA to achieve emissions neutrality for Scopes 1 and 2 by 2030, and for Scopes 1, 2 and 3 by 2050.
- Continuously reducing emissions intensity to achieve at least a 40% decrease in Scope 1 and Scope 2 emissions intensity by 2024 versus 2017.

In keeping with its commitment to the fight against climate change, OHLA annually and voluntarily renews its registration with the Spanish Climate Change Office (OECC). This body validates carbon footprint calculations in accordance with the methods and principles established by the Ministry for Ecological Transition and the Demographic Challenge. This year, for the first time, OHLA was granted the following OECC seals: Calculo, for making carbon footprint calculations that are valid in accordance with the criteria of the Ministry for Ecological Transition and the Demographic Challenge; and *Reduzco*, for meeting the reduction targets set in previous years.

We also expect to be awarded the *Compenso* seal in 2022, thanks to the launch in July 2021 of the El Bosque OHLA ("forest") carbon offset initiative that aids the recovery of natural areas and supports environmental protection. Specifically, the forest comprises 1,300 trees of native forest species such as oaks, pines, cherries and sloes, which will be planted to restore 2.0 ha affected by a forest fire in Ejulve, Teruel, Spain, in 2009.

El Bosque OHLA carbon offset forest initiative.

As to climate action governance, the Board of Directors and its Nomination and Remuneration Committee are formally responsible for guiding, supervising and monitoring the company's sustainability performance, which encompasses climate action. Furthermore, the Nomination and Remuneration Committee evaluates compliance with climate action targets. In addition, the Risk Department, responsible for general risk management, reports annually to the Audit and Compliance Committee and to the Board on the main risks to which the company is exposed.

The Sustainability Department is responsible at the corporate level for all matters relating to non-financial reporting, sustainability and climate change, and reports regularly to the CEO and the OHLA Management Systems Monitoring Committee.

## Circular economy

The construction industry is one of the largest consumers of raw materials and a producer of construction and demolition waste (CDW), which can account for a high percentage of the total waste generated by the economy overall. Unsuitable management of raw material extraction and poor waste management can have serious environmental consequences, such as increased resource scarcity, contamination of natural ecosystems or impacts on the landscape.

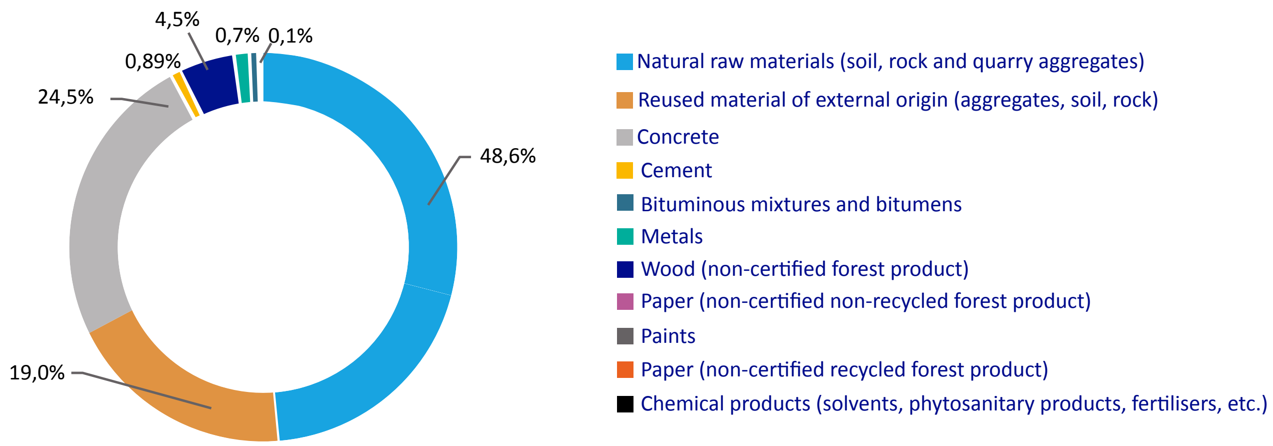
This reflects the importance of applying a circular economy - which is also an opportunity - to optimise resources through reuse, thus moving towards greater sustainability in the construction industry.

OHLA pursues this goal in its projects by recirculating resources for as long as possible in the economic and productive system, promoting waste reduction, reuse and recycling through innovative processes, and engaging in responsible consumption of natural resources by adopting best practices in the course of project implementation.

Water is a resource of special importance. Water is essential in OHLA's projects, in the execution of the works themselves, and also in the production of the necessary materials, such as cement and concrete. The company is fully aware of the need to protect this scarce and limited resource and to see that it is consumed responsibly and sustainably through suitable management to ensure optimally efficient use. Therefore, OHLA strives to reduce impact on the water cycle in all its phases, especially in areas suffering from water stress. This requires rational use of the resource by promoting its reuse for needs such as wetting roads or cleaning machinery. In addition, we must avoid contamination of surface water bodies or subsoil phreatic layers and protect the water quality of the water bodies surrounding the projects.

Looking ahead, OHLA has set a range of circular economy goals, as reflected in our 2022-2024 Sustainability Plan: increase the percentage of waste whose final destination is other than landfill; encourage the use of more sustainable or environmentally friendly materials in our operations; and measure the company's water footprint and promote good water management practices, with a special focus on reducing water withdrawal in production processes.

MATERIAL TYPE (%)




### HAZARDOUS WASTE RECYCLING AND FUEL GENERATION AT AUTOPISTA AMÉRICO VESPUCIO (AVO), CHILE

The AVO project team in Chile is working with a waste manager with expertise in hazardous waste recycling to recover energy from waste oils and lubricants generated in the course of the activity. This gives a second lease of life to hazardous wastes and even produces alternative fuels that can be used in other construction processes, such as cement production, thus avoiding use of conventional fossil fuels.

### ON-SITE RECYCLING OF ASPHALT, NORTHERN EXTENSION OF THE METROPOLITANO, PERU

In the course of executing this project in Peru, the OHLA team performed on-site recycling of the asphalt layer of an auxiliary road. The recovered asphalt was treated to obtain improved base material. Asphalt waste was avoided and the need to purchase freshly quarried material was reduced.

### INSTALACIÓN DE MALLAS DE RETENCIÓN EN IMBORNALES EN EL CAMPUS DE MÉNDEZ ÁLVARO EN MADRID, ESPAÑA

During the earthmoving phase of the Méndez Álvaro campus construction project in Madrid, OHLA teams installed retention meshes in the scuppers located on the perimeter of the project to prevent sediment spills into the sewer system, thus ensuring proper control of spills and protecting water quality.

### EFFLUENT TREATMENT AND WATER QUALITY MONITORING AT THE CRUCE DE LA CORDILLERA CENTRAL PROJECT, CVA, COLOMBIA

In the Cruce de la Cordillera Central project in Colombia, we continuously monitored the quality of surface water flowing across the project perimeter to verify that it remained in suitable condition during project implementation, with no alteration to the biological parameters of this natural resource.

**FURTHER INFORMATION:**

**Appendix 2**

Environmental performance indicators

## Biodiversity

OHLA operates in and around protected and non-protected areas that present a high degree of biodiversity and also in adjacent areas. The company's activities are capable of generating significant impacts on these areas, such as by fragmenting and transforming habitats, displacing and/or reducing the number of native species, contaminating or otherwise affecting bodies of water and soil, causing barrier effects or leading to changes in ecological processes.

OHLA is acutely aware of its responsibility to avoid, reduce or ultimately mitigate these potential impacts and is working to achieve this throughout all stages of its activities. Before embarking on any project, contract or service, OHLA reliably identifies the area of impact, the species present there that could be affected and the resources needed to prevent negative impacts from occurring in the place first or otherwise reverse any impacts that may have occurred.

The company draws up an environmental impact assessment — an official procedure for projects, services or contracts through which the company controls possible impacts on the environment — to establish prevention, mitigation, remediation and offsetting plans. These actions may include protection against erosion or sedimentation, stabilisation of disturbed surfaces and adequate vegetation management and species control to prevent the spread of invasive species. They may also seek to limit the duration of earthworks, control the impact of water withdrawal, monitor the quality of water bodies and ensure appropriate waste management.

On top of all this, specific actions may be carried out in certain operations and work centres to improve the state of local flora and fauna, through projects and initiatives for the regeneration and restoration of any native species that may have been affected.

Looking ahead, OHLA has pledged, through its 2022–2024 Sustainability Plan, to continue protecting the natural environment by embracing responsible biodiversity management practices and undertaking projects to ensure the rehabilitation or restoration of ecosystems in the areas where it operates.

### RESCUE AND RELOCATION OF DIFFERENT PLANT SPECIES IN THE MEXICO–TOLUCA INTERURBAN TRAIN PROJECT – MEXICO

The team working on the Mexico–Toluca intercity train construction project, which got under way in 2014 and is located in the State of Mexico, deployed a flora rescue, protection and conservation programme aimed at mitigating the potential environmental impacts of the project's development. This flora rescue operation was carried out with the main aim of avoiding an ecological imbalance in the region's floral communities and, therefore, in the dynamics of the biotic and abiotic factors that make up the area's ecosystem. The rescued specimens — some 3,200 in total — were temporarily housed in the nurseries of CEPANAF and Calle Comonfort.

In September 2021, the rescued species were delivered to the municipalities of Lerma, Salazar and San Miguel Ameyalco in the municipality of Zinacantepec. All of them were found to be in good phytosanitary condition and were promptly planted by local council staff at the designated relocation sites.

Through this operation, the company ensured effective compliance with the Environmental Impact Resolution for the Change of Forest Land Use, as issued by the General Directorate for Forest and Soil Management attached to the Undersecretariat for Environmental Protection, and with the measures for the preservation of the existing flora in the project's area of influence


### RESCUE AND RELOCATION OF VASCULAR EPIPHYTES IN THE CONSTRUCTION OF THE NEW CALI RIVER ADDUCTION LINE AT THE DRINKING WATER TREATMENT PLANT – COLOMBIA

In 2021, OHLA teams carried out rescue work (removal, transfer and relocation) and monitoring and maintenance activities for vascular epiphytes, while seeking to reduce the impact on the biotic environment derived from vegetation removal activities in and around the area of influence of the project to construct the new adduction line at the Cali River drinking water treatment plant (DWTP).

A total of 1,207 specimens of vascular epiphytes were rescued, thus saving them from the negative effects of the forestry activities and generating significant ecosystemic benefits in the process.

## Sustainable construction

OHLA is fully aware of the impact that the construction sector can have on the natural environment and climate change and of its responsibility in this regard. It therefore seeks to minimise the negative effects of its projects by developing sustainable solutions in the construction and maintenance of buildings and infrastructure, among other practices. Sustainable construction means considering the environmental impact throughout all phases of the process, from the initial design of the project or choice of materials, through to actual construction, waste management and maintenance of the facility, though without compromising the economic profitability of the project.

In this way, OHLA incorporates sustainability criteria when constructing custom buildings that meet the LEED®, BREEAM®, Passivhaus, CES and WELL methodologies. These standards envision the use of sustainable building materials (reused, ecological, local, etc.) and renewable energy sources or renewable energy systems, sound management of water, waste and effluents generated, as well as the GHG emissions generated by the project, and life cycle analyses, among other aspects. All of this allows OHLA to build certified infrastructure that displays a high degree of environmental responsibility and commitment.

To date, the company has carried out a total of 39 certified sustainable projects, most of them in Spain and the United States and eight of which are still awaiting final certification. Forty-seven per cent of these projects are certified under the LEED Gold scheme. Meanwhile, three WELL certified projects — two of them in the WELL Gold category — are currently under development in Spain.

These projects include the National Forensic Mental Health Hospital in Portrane, Dublin (Ireland), which provides mental health care services to children and adolescents, care for the intellectually disabled, intensive care, primary care and rehabilitation therapy, and which earned BREEAM "Very Good" certification; and the La Alcaidesa hotel complex in San Roque, Cadiz (Spain), where OHLA built various structures and which earned Gold LEED certification.

OHLA also seeks to incorporate energy and water efficiency solutions when planning its projects by relying on certain procedures and methods, depending on the case, that allow the best results to be obtained while reducing the volume of resources employed. In 2021, a lamella-based permanent treatment plant was used at the AVO project in Chile to recirculate the tunnel wastewater generated by the boreholes. The water is stored in a reservoir and then reintroduced into the tunnel to be used by the jumbo drill, which requires a large quantity of water to operate.

Elsewhere, the company's firm commitment to sustainable construction can be seen in the alliance struck up in 2021 between OHLA, Endesa and Bankinter to tackle the energy refurbishment of buildings and to facilitate access to Next Generation EU funding. OHLA will work alongside Endesa X as "rehabilitation agent" and conduct feasibility studies to offer each owners' association the optimal solution when it comes to their building's energy installations, construction, energy savings and subsidy eligibility.

OHLA is set to increase its commitment to sustainable construction in the coming years and to provide further training to its technicians so as to ensure that they are properly qualified and accredited and possess sufficient skills and knowledge to obtain the corresponding certifications in each case.

National Forensic Mental Health Hospital, Portrane (Dublin), certified as BREEAM "Very Good", Ireland.

La Alcaidesa Hotel Complex, San Roque (Cádiz), certified Gold LEED.

# Social progress

The company achieves positive social impacts by developing infrastructure through various lines of action. Firstly, through the proper development and care of employees, OHLA's most valuable asset, with a firm commitment to diversity and equality, professional development and best practices in health and safety. Secondly, by helping the communities in which it operates prosper by generating new employment and economic opportunities as a result of its projects, along with volunteering and social action initiatives to help meet the needs of vulnerable segments of society.

To make further progress along these lines, OHLA's new Sustainability Plan envisions a series of actions to target each of these concerns.

## Challenges, lines of action and objectives over the 2022–2024 horizon in the realm of social progress

### DIVERSITY AND INCLUSION

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Commitment to diversity and inclusion as a differentiator** | Designing a specific action plan to achieve equal pay and reduce the gender pay gap | Approve a plan of action and undertake actions and initiatives<br>Achieve AENOR equal pay certification (Spain) | | Reduce the pay gap* to below 15%<br>Achieve AENOR equal pay certification (Spain) | 5 |
| | Increasing the presence of women in positions of responsibility (senior management and directors) | - | | Have 10% of management and senior management positions held by women | |

* GENDER PAY GAP FOR THE SAME JOB OR JOBS OF EQUAL VALUE ACCORDING TO THE COMPANY'S JOB GRADING (CLASSIFICATION) SYSTEM

### TALENT AND PROFESSIONAL DEVELOPMENT

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Promoting new ways of working that create a motivating work environment to attract and retain talent and foster professional and personal development** | Developing the OHLA Group Performance Assessment Model and Competency Dictionary | Implement the Performance Assessment Model | | Implement this for 100% of eligible occupational groups | 4, 8 |
| | Aligning knowledge and competence needs to OHLA jobs according to the organisational structure (job map) | Implement system for key positions | | Apply the new career pathways to 100% of staff** | |
| | Reviewing and developing the Succession Model | Implement the model in critical positions | Implement the model for directors and middle managers | Implement the model across the rest of the company | |
| | Designing an attractive and competitive remuneration package | Conduct a Conduct a technical and economic appraisal of the possible remuneration component to be included in the remuneration package of managers and employees | Implement and start up the system (phase 1) | Implement and start up the system 2) | 8 |

* Eligible personnel means those employees included in the Group's performance evaluation model
** Permanent staff and indirect personnel

### OCCUPATIONAL HEALTH AND SAFETY

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Engagement of workers in preventive behaviour and promoting an active and healthy lifestyle** | Maintaining or increasing the percentage of sites with occupational health and safety certificates (ISO 45001) | Have >90% sites ISO 45001 certified | | | 3 |
| | Promoting the use of the OHLA *Cuídate* (Look After Yourself) programme | - | - | Increase the number of active users in the programme by 10% compared to the base year | |
| | Increasing training actions in OHS and awareness-raising for managers in order to reduce accident rates | Have the territorial/ country manager carry out 6 training actions and 3 site visits | Have the territorial/ country manager carry out 8 training actions and 3 site visits | Have the territorial/ country manager carry out 8 training actions and 3 site visits | |

### SOCIAL ACTION AND VOLUNTEERING

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Increase in actions and funds that generate shared value** | Increasing investment in social action | Reach an investment level of €500,000 | Reach an investment level of €750,000 | Reach an investment level of €1,000,000 | 10 |
| | Encouraging and promoting greater involvement of employees in volunteering activities | Create a volunteering network and communication plan | Sign up more than 1,000 volunteers | Sign up more than 2,000 volunteers | |
| | Measuring the impact of social action | Define metrics and measure impact in Spain | Extend scope of the impact measurement process to Europe and LatAm | Measuring the social impact at Group level | |

### VALUE CHAIN

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Promotion of sustainability along our value chain** | Reviewing and updating approval criteria to incorporate additional sustainability aspects | Define new sustainable criteria for approval processes | Incorporate the criteria in the tool and approve suppliers in Spain and Europe under the new criteria | Extend these criteria to USA Construction and the Services division | 9,11 |
| | Extend these criteria to USA Construction and the Services division | | Create the catalogue and disseminate it at Construction Spain | Create the catalogue and disseminate it across all other Construction countries in Europe | 11,12 |

CUSTOMERS

| CHALLENGE | LINE OF ACTION | OBJECTIVES 2022 | OBJECTIVES 2023 | OBJECTIVES 2024 | SDGs |
|---|---|---|---|---|---|
| **Measurement of satisfaction with our construction projects and services** | Increasing involvement of our customers in measuring satisfaction with the service provided by the Company during the contract | - | Increase participation by 10% | Increase participation by 20% | - |

## People

### PROFILE OF THE HUMAN TEAM

OHLA considers its human team (22,779 employees as at 31 December 2021[7]) to be its greatest ambassador in conveying the company's culture, values and principles.

In another year of uncertainty due to the lingering effects of the Covid-19 pandemic and the energy and raw materials crisis, OHLA employees once again proved their worth, professionalism and commitment to the organisation. In 2021, OHLA increased its workforce by **11.5%,** spread across 24 countries, with women representing **53.7%** of the total workforce at year-end. Aside from direct employment, the company contributes to the indirect maintenance of jobs through partners, suppliers and subcontractors.

The company's commitment to its employees is based on respect for the people who make up the company and on the use of corporate policies to guarantee the protection, growth and fairness of this relationship both internally and with those people who otherwise help OHLA to grow.

The Human Resources team is structured around various areas covering the following aspects considered strategic for the organisation:

- Talent selection and attraction.
- Talent and development.
- Remuneration and benefits
- Employee relations
- International mobility and expatriate employees.

CAs a horizontal axis driving the development of each of these aspects, OHLA is committed to technology and the digitalisation of all its HR and talent management processes (selection, training, performance, compensation, objectives, etc.) as a lever for delivering change through the development of platforms, virtual spaces or applications that not only automate administrative and management process and therefore lower costs, but also facilitate employee interaction in these processes and increase communication.

One example of this was the implementation in 2021 of a scorecard that includes the main HR management indicators related to workforce size, wage information, and various key ratios such as absenteeism, turnover and costs, as shown below:


[7] *The number of employees with a disability at year-end 2021 and 2020 was 564 and 433, respectively.*

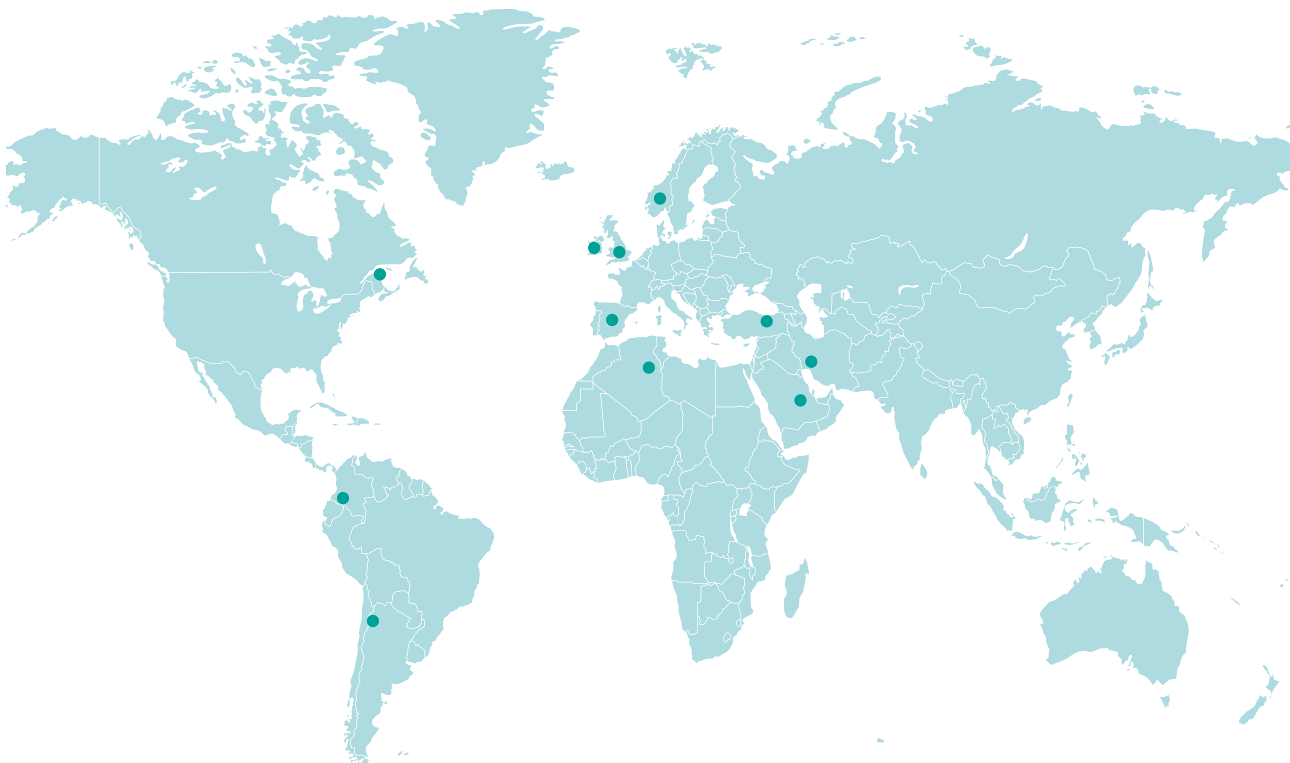
This functional division of the HR areas is replicated at OHLA's various business units and geographies through the local HR managers. This includes regular coordination and follow-up meetings with them on how the policies are being implemented and on how talent management processes are monitored.

### TALENT SELECTION AND ATTRACTION

Spotting and attracting the best talent is a key concern for the company, which is always on the look-out for young people with potential who can contribute to the company's growth both nationally and internationally. Thus, the company incorporates interns and graduates fresh out of university into its workforce and offers them the opportunity to gain professional experience in international projects through the Young Talent programme. This initiative lasts two to three years and provides continuous training in different business roles within the company, accompanied by structured training at the end of which the beneficiaries of the programme will be able to take up a position of responsibility.

Since 2015, more than 100 Young Talents have joined the company in different countries, and in 2021 a total of 12 people were assigned to various projects in Spain, plus a further two in Sweden and four in Latin America.

MAP OF COUNTRIES WHERE YOUNG TALENTS HAVE BEEN JOINING THE COMPANY SINCE 2015



General selection processes are always based on diversity and equality criteria, with 61% of the individuals who joined OHLA Group's Corporate Management team in 2021 being women.

## TALENT AND DEVELOPMENT

In March 2021, the Talent and Development area was set up within the wider HR Department, thus strengthening the company's commitment to the following strategic pillars

**We contribute to the professional and personal development of employees**

- Performance management. Process to improve the on-the-job performance of employees and steer it towards the OHLA Group's objectives.
- Skills dictionary. A set of individual, measurable characteristics that are related to improved job performance. They are demonstrable from behaviours.

**Knowledgeable and experienced team with excellent technical skills**

- Career paths. Linked to skills, experience and knowledge (job profile).
- Training plans. To associate the knowledge needed to perform the job with the business, cross-cutting areas and on-the-job skills.

**Exporting talent and engineering**

- Spotting potential and talent.
- Succession model. Process of assigning successors in order to secure critical positions and ensure the development and future growth of the company.

Group meetings also take place with employees in what might be called a think tank, where the objectives of the area or department are shared and the needs of the employees are listened to there and then. This process yielded numerous initiatives, suggestions and ideas received directly from employees of the Corporate Resources department.

Meanwhile, an agreement was signed in Spain with the Inspiring Girls Foundation, which seeks to raise awareness among school-age girls of the need to ensure their future educational and professional development in an environment in which equal opportunities prevail, regardless of gender. Through this collaboration agreement, OHLA Group employees will get involved in volunteering activities at schools, where they will share their professional experiences, inspire young girls and convey values such as hard work and perseverance to ensure their professional and personal growth moving forwards.

The *Reasons to Believe* programme was launched in the last quarter of 2021, involving a series of inspirational talks about the core values of OHLA: adaptability, talent, global presence, innovation, impeccable track record and sustainability. The talks are delivered by various big names in the industry, who have first-hand experience in applying these values.

The company offers an extensive range of training activities to ensure the personal and professional development of its human team, as embodied in the annual Training Plan. To succeed in this task, OHLA works to detect needs associated with the business strategy, new positions and the competencies and skills required. Training is enabled through digital tools and continuous assessment of the targets to be achieved.

Significantly, OHLA views the learning process as a continuous and innate part of the employee's professional life. To improve employee knowledge and awareness of new process models and methodologies, the company needs a training system that coexists in a connatural way with the company's business strategies, production processes and working environment.

In Spain[8], the company delivered training to a total of 10,243 people, not only at OHLA Group companies, but also for 24 joint ventures at which the company's subsidiaries are venturers. This figure amounted to a total of 55,509 hours, of which 52% were e-learning and 48% virtual.

[8] *In Spain, the Group's companies receive financial aid from Fundación Estatal para la Formación en el Empleo (FUNDAE) in organising and delivering the courses included in the annual training plan. In 2021, the Group channelled EUR 690,947.30 into training. The aim is to optimise all the resources at its disposal to accomplish its training objectives.*

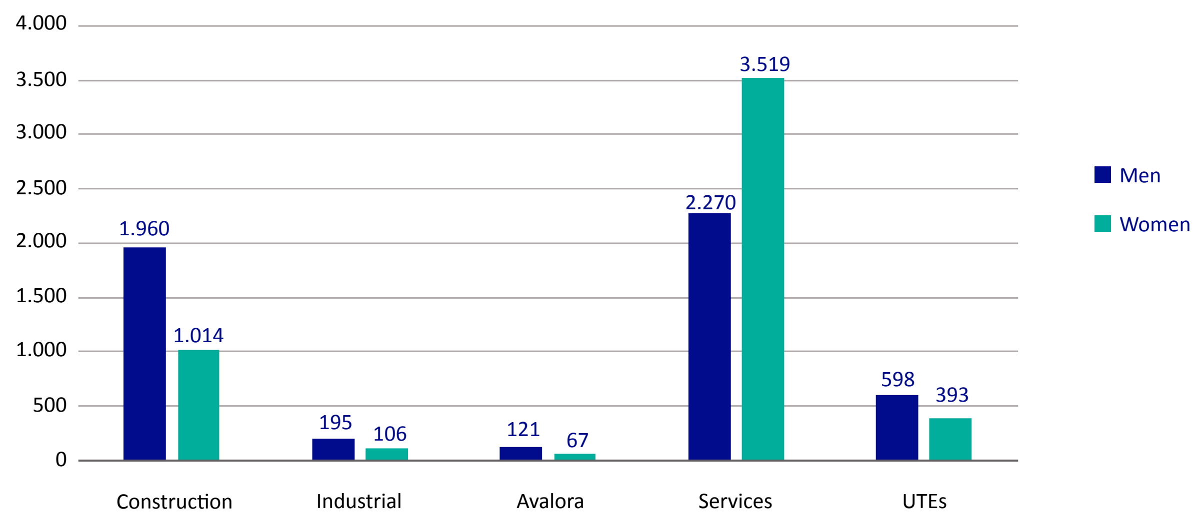


Highlights included the courses aimed at assimilating the corporate culture. In 2021, OHLA launched its human rights training programme as a further show of its commitment to the principles and international bodies that regulate them. It also continued to provide training on compliance and the company's ethical values: Code of Ethics, Anti-corruption Policy and Crime Prevention System.

OHLA's Equality Plans also include a series of training measures to raise awareness of different facets of equality, such as the elimination of unconscious stereotypes, inclusive language and of course knowledge and awareness of the plans. Training is already being organised for the coming year in the following areas: unconscious bias, harassment protocol, inclusive communication, gender-based violence and work-life balance and shared responsibility among parents.

In 2021, the PHAROS platform delivered more than 24,000 training hours around the world, benefiting nine countries and with 117 learners enrolled in one or more of its training actions. A total of 3,580 hours of training were delivered outside Spain. The company also continued to focus on language training by delivering new iterations of the OHLA Group's Masters in English.

With regard to training distributed by gender, the figures reveal a similar participation of both genders across all business lines.




The Global Scope Training Management procedure was approved in 2021. This procedure explains the principles there to govern training management:

- To meet a real need (current or future) of a person in his or her position.
- To provide useful information for the subject's performance at work.
- Voluntary, unless the training is a legal requirement.
- To rely on a specific methodology for delivery and measurement of results.

## REMUNERATION AND BENEFITS

OHLA's Remuneration Policy and pay structure based on wage bands have been drawn up following a careful assessment of job positions and their classification into occupational groups and levels, according to the contribution made by each position to the business and/or the impact on earnings. The Group seeks to ensure that the following three objectives are met at all times::

- Fairness in determining employee remuneration and other wage conditions that form part of their compensation package, based on objective criteria.
- Having a specific remuneration structure with respect to market benchmarks, depending on how competitive the business needs to be in each of the geographies where the company operates.
- Attracting, retaining and engaging the employees who work at the Group's various companies to their strategic objectives within the competitive and globalised environment in which they do business.

To ensure that the remuneration of its employees is suitably aligned with the strategic objectives of the business, OHLA has a variable remuneration system in place based on management by objectives (economic, company-specific and individual performance), which incentivises the achievement of the strategic goals and objectives set by the company for the good of the business.

In 2022, this variable remuneration system will ultimately incorporate sustainability objectives in line with ESG (environmental, social and governance) metrics for management positions. This system will be extended in subsequent years to include other segments such as middle management. Each metric represents a certain percentage of the variable remuneration that individuals eligible for this system can potentially receive.

Aside from monetary remuneration, OHLA's remuneration system may include the granting of other in-kind benefits or compensation, such as life and accident insurance, meal allowances, childcare expenses, transport, medical insurance, company car, or contributions to employee pension schemes.

Given that 'emotional salary' items are now accounting for more and more of an employee's compensation package aside from monetary and in-kind remuneration, in recent years the company has been devising policies to reconcile the professional and personal lives of employees and to offer flexibility when it comes to working hours and places of work, along with other measures in response to new emerging models of work organisation, such as digital disconnection.

In 2021, the company's management updated the OHLA Group Remuneration Manual to bring it in line with the new organisational structure. The manual addresses all aspects of good corporate governance and includes measures to ensure that OHLA Group remuneration is both sustainable and competitive, with the main aim of attracting, retaining and engaging employees to the organisation's strategic objectives, while guaranteeing equity looking inwards and competitiveness looking outwards at all times.

OHLA's *Remuneration Manual*, ratified by the Nomination and Remuneration Committee attached to the Board of Directors, aligns remuneration with the business strategy and the interests of shareholders with the ultimate aim of creating sustainable value over time.

In 2021, the Compensation and Benefits Department worked hard to update the company's job classification system by standardising job positions, occupational groups and organisational levels and setting standard wage bands for each of the business units, departments and geographical areas.

Meanwhile, the Group's Labour Relations Department continued to work alongside the workers' representatives throughout 2021 – especially in Spain – in complying with the obligations set out in Royal Decree 902/2020, on equal pay for men and women, following its entry into force on 14 April 2021. The aim was to incorporate mechanisms and instruments to ensure the principle of transparent remuneration (evaluation of job positions, remuneration records, employees' right to information and remuneration audit); a task that will continue to be carried out in 2022 as a further show of the company's commitment to equal pay among women and men.

Also during 2021, a scorecard was incorporated into the human resources management system within the wider framework of the digital HR strategy. The scorecard includes remuneration and compensation indicators that provide the company with a snapshot of its remuneration structure and position at all times. It includes employee pay positioning indicators, pay studies, equity maps and wage maps (by business unit and geography), as well as a gender pay analysis.

In 2022, the compensation and benefits function will be tasked with assessing new initiatives to extend new items of remuneration to different groups or segments so as to make their compensation package more attractive and competitive. The function will also be called on to standardise remuneration policies among the different business units and geographies in which the company operates.

### Employee benefits

OHLA aims to offers a complete compensation package that ultimately helps it to attract new talent and retain existing talent. To succeed in this task, the company's compensation package includes, aside from monetary compensation (fixed and variable), other compensation in the form of in-kind employee benefits and remuneration that will be applied in each of the countries where the company operates, depending on prevailing market practices. This may include the provision of products or services such as (i) life and accident insurance, (ii) meal allowances, (iii) childcare costs, (iv) health insurance, (v) transport allowances, (vi) company cars, (vii) social security schemes or mechanisms formalising retirement or pension commitments, (viii) financial assistance, or (ix) other benefits. In countries where employee benefits or remuneration in kind are provided, they are applied equally to both full-time and part-time workers, regardless of contract type.



## Employee relations

OHLA is firmly committed to respecting freedom of association and the right to collective bargaining. It also upholds non-discrimination, the protection of all workers regardless of status, gender, race, age, ideology or any other personal characteristics and decent conditions of employment, in its broadest sense, to ensure the well-being of all workers.

OHLA is party to a framework agreement with various international trade union federations, advocating full respect for human rights and civil liberties. OHLA employees are afforded full legal protection, in absolute compliance with national legislation and applicable collective bargaining agreements. The company also sits on the negotiating committees for these collective agreements. OHLA works in the countries in which it operates in accordance with existing sectoral regulations. If no such regulations exist, the working conditions applicable to each workplace are negotiated with the legal representatives of the workers. The exact nature of the sectoral agreements that apply ultimately depends on the type or nature of the activity. Collective agreements are relatively commonplace in the construction, iron and steel and metal industry, in landscaping/gardening, public cleaning, cleaning of buildings and premises, car parks and garages, and at engineering companies, technical studies offices, consultancy firms and public opinion market research companies.

Employee dialogue takes place through trade union representatives and workers' legal representatives, with whom regular meetings are held. The Company's HR Department is also on hand for any direct contact that may be required. The channels used to communicate and interact with employees are the corporate intranet, notice boards in work centres, communiqués and e-mails, corporate newsletter and the employees' own legal representatives.

Notably, collective bargaining has been successfully used to improve the working conditions and work-life balance of employees, and the company is firmly committed to continuing along these lines.

## Diversity and equality

OHLA's commitment to diversity is embodied in a raft of policies, regulations and measures to promote equality, regardless of gender, race, age or ideology, as well as in the various international initiatives to which the company is adhered. OHLA also seeks to ensure the full accessibility of its facilities and corporate tools so as to allow for the integration of all groups.

The 3rd Equality Plan was approved on 26 March 2021, applicable to all OHLA Group companies except for Services, which has its own plan.

The new plan guarantees, among other measures, that selection processes comply with the principle of equal treatment and opportunities based on objective criteria, without direct or indirect discrimination. The Plan also aims to guarantee that both parents are able to enjoy their work-life balance rights and improves upon the work-life balance rights afforded by the law for the employees of all Group companies.

OHLA was recognised as a Socially Committed Company in 2021 by Fundación Integra for having hired, mainly through Ingesan — the main subsidiary of its Services business line —, more than 700 vulnerable people or those at risk of social exclusion. Many of these jobs went to women victims of gender violence, a segment Ingesan has explicitly undertaken to support, as reflected in its equality plans.

Meanwhile, Ingesan's Human Resources department received the following accolades and distinctions in 2021 thanks to its ongoing efforts to promote labour inclusion:

- *Làbora* badge awarded by the City of Barcelona, in recognition of its commitment to integrate vulnerable groups into the labour market.
- *T de Trans – Ciudad de Marbella* Award, granted by the Mayor's Office of San Pedro de Alcántara (Marbella), thanks to its commitment to support the labour inclusion of the trans community.
- Awards and recognition from the Spanish Red Cross in Granada and Huelva for its commitment to the labour market inclusion of people at risk of exclusion.

It also partners up and signs agreements with various entities to foster the inclusion of different groups:

- Partnership agreement with the Red Cross for non-labour training placements.
- Involvement in the event to promote employability organised by Fundación Don Bosco Salesianos Social in Malaga.

Work also continued through 2021 to allow for the signing of the Diversity Charter in 2022; a European charter of principles signed voluntarily and free of charge by companies across Europe — in our case Spain — to showcase their commitment to diversity and inclusion in the workplace. Companies that sign the Diversity Charter pledge to respect current equal opportunity and anti-discrimination regulations and embrace the following basic principles:

- Awareness-raising: the principles of equal opportunities and respect for diversity must be embedded in the company's values and disseminated among all employees.
- Making progress in building a diverse workforce.
- Fostering inclusion.
- Making diversity part of all people management policies.
- Promoting a healthy work-life balance.
- Recognising diversity among customers.
- Extending and communicating our commitment among employees.
- Extending and communicating our commitment among suppliers.
- Extending and communicating this commitment among public administrations, business organisations, trade unions and other social agents.

Using the company's annual report to disclose all activities undertaken in support of non-discrimination, as well as the results and outputs obtained from the implementation of diversity policies.

## International mobility and expatriate employees

OHLA seeks to provide international mobility for those positions considered key to the business with the aim of increasing employee engagement and loyalty and enhancing the culture and image of the company (employer branding).

International mobility offers employees career development opportunities along with a unique multicultural, personal and family experience. Diagram showing expatriates and their geographical location at 31 December 2021:

COUNTRIES WITH EXPATRIATE EMPLOYEES

| | |
|---|---|
| Chile | 10 |
| Mexico | 08 |
| Peru | 12 |
| Colombia | 07 |
| Panama | 03 |
| Canada | 02 |
| Saudi Arabia | 06 |
| Turkey | 03 |
| Algeria | 01 |
| Norway | 09 |
| Ireland | 02 |
| Sweden | 10 |
| Czech Republic | 01 |

## Covid-19: impact on people

For the second year running, Covid-19 had a significant impact at OHLA. In 2020, the corporate management team decided to set up a Covid-19 Monitoring Committee, which has been keeping close watch over the health and safety of all the company's employees since then. In 2021, the committee met on several occasions to continuously monitor the course of the pandemic and to take appropriate action at the company's various workplaces.

In 2020 the company launched various initiatives to prevent and combat Covid-19 in the workplace and in 2021 these initiatives were further strengthened and expanded. Key initiatives in this realm include the *Coronavirus Community* available on the corporate intranet, which has served as a permanent communication channel; the follow-up and support provided by the Medical Service to people who have contracted the disease; and the initiatives carried out through the EAP (Employee Assistance Programme), including psychological counselling and support.

Notably, Ingesan's HR department carried out actions to prevent the spread of the virus and ensure the safety of workers. Numerous commitments were undertaken and good practices adopted through the renewal of the following certifications to guarantee the quality of Ingesan activities:

- ISO 45001: 2018 — Occupational health and safety management systems
- SA 8000 — Social responsibility
- Model EFR 1000-1 work-life balance certification: family-friendly company
- Certification of protocols for action against Covid-19 at its offices

OHLA's Prevention Service, with the support of the Works Councils and the approval of senior management, has made various behavioural and organisational changes to implement a Covid-19 safe environment at the company's different centres across the country. These actions have helped to promote a culture of prevention and led to an improvement in working conditions.

OHLA's Prevention Service, with the support and backing of the Medical Service, came up with the *Protocol for preventive action against Covid-19*, which was launched to coincide with the announcement of the pandemic. The protocol has since undergone several reviews to incorporate the scientific advances made and increased knowledge of the virus. The protocol has therefore been updated on several occasions to reflect the new requirements ushered in by Royal Decree 463/2020 and Royal Legislative Decree 21/2020 and their subsequent updates.

Likewise, the company, through the Medical Service, has collaborated with the health authorities in the early detection, surveillance and control of Covid-19, with close monitoring of cases and contacts and all confirmations of active infections rapidly communicated to the Directorate General for Public Health through the automated reporting systems in place.

The successful deployment of anti-Covid-19 preventive measures in the workplace has been down to the responsibility and commitment shown by all the people who make up the company.

## Digital disconnection and work-life balance measures

In 2019, OHLA published its policy on Working Time and Digital Disconnection. The policy aims to maintain productivity while promoting a healthy work-life balance, taking into account the diverse circumstances of employees in various work environments. This includes mobility outside the workplace and the right to disconnect from work, all in strict compliance with prevailing labour legislation in each country and region where the company operates.

The company champions labour flexibility whenever legal, organisational and productive circumstances allow for this, with local HR managers establishing procedures that are in line with labour legislation and local customs and practices. OHLA also respects the right of all employees to enjoy a healthy work-life balance, to disconnect digitally and to enjoy proper rest and their full entitlement of holiday leave, while also respecting the personal and family privacy of the entire workforce. To achieve this, it limits the use of tools and technologies provided by OHLA outside the effective working day to cases that qualify as objectively urgent or where the worker's responsibility calls for such further use.

In addition, Ingesan is committed to the transformation of the company. Therefore, employees are now more involved in the growth of the business by taking part in various digital projects and the area has been strengthened through people and management applications. Highlights here include the launch of the telework pilot project, which encourages the use of remote working arrangements by offering each employee the opportunity to work one and a half days a week from home if they so wish.

## Measures to reconcile work, family and personal life

Flexible working hours. Certain OHLA offices offer employees flexibility when it comes to workplace arrival and departure times. There is also flexibility in holiday leave and online training and videoconferencing are actively encouraged.

Support for personal and family circumstances:

- Employee Assistance Programme (EAP). Programme available to workers to help them in response to certain life events. Expert advice is offered as and when needed to help employees overcome certain personal issues (problems with their partner, children, the elderly, etc.).
- Family Plan to support the children of employees with disabilities, whereby the company helps those with disabilities from an early age to improve their social and labour market integration and improve their quality of life.
- *Por ser de OHLA* portal, which includes a wide variety of offers, discounts and promotions that company employees can benefit from.
- Wage supplements for persons with officially recognised disabilities and for employees who have children with disabilities.

## HUMAN RIGHTS

Protection and respect for human rights is one of the hallmarks of OHLA's management model and an aspect that the company manages from different angles.

For more than 15 years, the company has been adhered to the Universal Declaration of Human Rights and the Global Compact, both promoted by the United Nations; to the International Labour Organization's Tripartite Declaration on Fundamental Principles and Rights at Work; and to the OECD Guidelines.

On the regulatory front, OHLA's Code of Ethics explicitly states that all actions undertaken by the Group and its members shall scrupulously respect the human rights and civil liberties enshrined in the United Nations Universal Declaration of Human Rights. This commitment was further reinforced in 2017 following the adoption a specific human rights policy. Any eventual human rights abuse perpetrated by any of the company's stakeholders can now be reported through the Whistleblower Channel provided for in the Code of Ethics. Meanwhile, all suppliers must show compliance with the Ten Principles of the Global Compact before they can be approved.

When it comes to governance, the Audit and Compliance Committee is the highest body responsible for ensuring compliance with human rights at OHLA. It carries out its control and monitoring duties through the Internal Audit department. More precisely, in 2021 the Internal Audit Department conducted specific human rights audits on the Terceras Pistas (Chile), Acueducto Cúcuta (Colombia), Follo Line (Norway), D1 Hubová–Ivachnová (Slovakia), Sudomerice Votice (Czech Republic) and the Metro Line 1 Extension project (Panama). None of these audits revealed any relevant incidents, although aspects for improvement were identified in relation to the following actions:

- Strengthening communication campaigns on the Code of Ethics in projects and raising awareness of the importance of human rights compliance at all levels.
- Working harder to improve the protocol for addressing any non-compliances that are detected.
- Ensuring that each workplace has a copy of the human rights form and that this is filled in by the most senior officer there.

In addition, the Sustainability department carries out a specific human rights assessment every two years with a Group-wide scope. The 2021 campaign was launched in November, involving a review and update of the questionnaire, which now features a total of 75 questions divided into the following blocks: :

| | |
|---|---|
| Ethical and social commitments | Working hours, remuneration and rest |
| Impact on the community | Health and safety |
| Forced labour | Child labour |
| Freedom of association | Non-discrimination |
| Fair treatment | Supply chain |

Following a country risk analysis, the questionnaire was sent to more than 70 OHLA projects, sites and fixed centres located in 17 different countries and belonging to the Construction, Industrial and Services business lines.

This assessment process not only allows the company to increase internal awareness of the issue, but also to identify and target a number of areas for improvement. The results of the assessment illustrate OHLA's commitment to compliance and respect for human rights, as more than 98% of the responses received reflected a more than adequate performance in this aspect; 4% more than in 2019. In addition, the incidents detected were not significant, with most of them being related to dialogue with communities, lack of awareness of the Harassment Protocol or the Ethics Channel, or the absence of a specific clause insisting that suppliers adhere to the Global Compact before they may be approved.

In response to the results, OHLA has devised an action plan to mitigate or minimise the potential impacts should any such incident arise. The plan has been passed to the Internal Audit department for implementation and monitoring.

In 2021, specific training on human rights was carried out with a Group-wide scope, covering aspects such as the applicable regulatory framework, the Global Compact and the related commitments assumed by OHLA (Code of Ethics, human rights policy, etc.). Upwards of 2,600 hours of training were completed by more than 1,300 employees from all over the world. Although this is a significant figure, the 2022–2024 Sustainability Plan ultimately envisions such training to reach at least 50% of the workforce.



## Health and safety

As in 2020, last year was heavily impacted by the ongoing Covid-19 pandemic. While efforts have been made to keep the internal and external audit programme on track, it has been directly or indirectly affected by the health situation in the countries where OHLA is present. In the case of internal audits, travel abroad was limited for much of the year.

Similarly, a large part of the external audits for renewal of ISO 45001 certification in occupational health and safety for the Construction business line in Europe and Latin America, and for the Services line, were carried out remotely under teleworking arrangements and via online platforms, especially at Services.

In all other cases, OHLA ensured absolute compliance with all the Covid-19 internal protocols in place, as implemented and successively updated in response to regulatory developments emanating the Ministry of Health and the various autonomous governments of Spain.

In 2021 the number of sites with occupational health and safety assurance (ISO 45001) remained stable at 40 (same as in 2020), distributed across the same 14 countries and under the umbrella of the IMS

In Spain, the National Commission for Health and Safety in the Workplace met normally throughout 2021 and was attended by representatives from all the committees currently existing in Spain, as part of a forum set up to ensure the participation of workers in the country's construction trade.

OHLA has a health and safety committee in most countries as a legal requirement, where the committee seeks to ensure engagement and permanent communication between supervisors, prevention officers and technicians, trade union officers and managers and those responsible for the various work centres of the company's divisions. Under the current management system, preventive health surveillance committees meet monthly for construction sites attached to the Spain division. Proper coordination of business activities is addressed at these meetings. The meetings are attended by OHLA site managers and representatives from each subcontractor involved in the company's construction projects.

In 2021, the committee meetings continued to address issues related to the pandemic, its impact on workplaces and the measures adopted in response to successive regulatory changes to have emanated from the authorities over the course of the year. Aside from the pandemic, the meeting addressed issues related to the monitoring of accident rates, changes in legal requirements regarding OHS, medical examinations and training activities, among other matters.

OHLA is also firmly committed to raising awareness among workers through training/information given at the work centres, because this is viewed as a key tool in integrating safety into the production process and as a bedrock for self-care among all employees. At Construction, Industrial and, to a lesser extent, Services, toolbox talks continued to be given throughout the period at the work centres on initial, periodic and specific safety concerns, including first aid and how to respond in an emergency.

A total of 186,696 hours of information were delivered to workers in 2021

| | Hours of information |
|---|---|
| **Construction** | 177,687 |
| **Industrial** | 6212 |
| **Services** | 2,797 |
| **Total** | 186,696 |

## INJURY RATES

| | Frequency rate | | | Severity rate | | | Accident rate | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| **Construction** | 7,5 | 6,9 | 5,8 | 0,4 | 0,4 | 0,3 | 1.559,9 | 1.312,4 | 1.232,1 |
| **Industrial** | 0,8 | 1,5 | 2,2 | 0,1 | 0,1 | 0,2 | 154,0 | 281,9 | 485,9 |
| **Services** | 25,9 | 24,9 | 29,7 | 0,9 | 0,7 | 1,0 | 4.537,8 | 4.396,9 | 5.243,2 |
| **Total** | 16,8 | 15,8 | 15,9 | 0,6 | 0,5 | 0,6 | 3.171,7 | 2.895,3 | 3.124,3 |
| **Pacadar** | 34,8 | - | - | 0,8 | - | - | 5.998,0 | - | - |

Frequency rate = number of accidents with medical leave * 1,000,000 / No. of hours worked
Severity rate = No. of days lost * 1,000 / No. of hours worked
Accident rate = number of accidents with medical leave * 100,000 / No. of workers
Health and safety measures are applied equally at OHLA, without discriminating between genders
Excluding accidents going to or from work
In 2021, 20 occupational illnesses occurred at the OHLA Group, 18 affecting women and two affecting men. All of them took place at the Services business line

| | Accident rates and related indicators |
|---|---|
| | 2020 vs. 2021 |
| **Frequency** | 6.3% |
| **Severity rate** | 20.0% |
| **Accident rate** | 9.5% |

Does not include Pacadar

During the year, OHLA subsidiary Pacadar was included in OHLA's overall accident rates[9]. Its accident rates were reported, but not aggregated with the rest of OHLA's business lines, so as not to affect the analysis of the statistical data.

The rate change is mainly due to a percentage reduction in the number of accidents in relation to hours worked across all of the company's business lines, of which Industrial is the most significant. Any statistical analysis of the accident rate must be framed within a minimum number of hours worked which, as a rule, is in the order of 250,000, in order to be able to consider the indicators analysed as reliable and significant, both upwards and downwards. Thus, beyond the number of days lost as a result of an accident considered serious, due to the time the worker is off work and not the type of accident or injury, it is not considered significant from a statistical or management standpoint in terms of the change in these indices.

## NUMBER OF ACCIDENTS AND SEVERITY BROKEN DOWN BY GENDER

| | Men | | Women | | Total | |
|---|---|---|---|---|---|---|
| | Minor | Serious | Minor | Serious | Minor | Serious |
| **Construction** | 106 | 30 | 3 | 1 | 109 | 31 |
| **Industrial** | 0 | 1 | 0 | 0 | 0 | 1 |
| **Services** | 107 | 30 | 279 | 78 | 386 | 108 |
| **Total** | 213 | 61 | 282 | 79 | 495 | 140 |

Includes Pacadar

[9] *Date of incorporation of Pacadar into the OHLA Group: March 2021*



OHLA is also a member of the Health and Sustainability Action Group, coordinated in Spain by Forética, which aims to promote health and well-being as one of the cornerstones of corporate social responsibility.

The presence of the Prevention Service at forums has also been affected by the pandemic and most of its attendances have been online. OHLA also sits on SEOPAN's Health and Safety Committee, which is not only continuing to update Covid-19 protocols in response to the regulatory changes that took place in 2021, but has also been exploring aspects related to the legislation on carcinogenic products, mainly Royal Decree 665/97. Another outstanding collaboration involving OHLA's Prevention Service in 2021 was its participation in the 14th Edition of the Postgraduate Course of Specialist in Health and Safety Coordination of Construction Work, delivered by Polytechnic School of Cuenca attached to the University of Castile-La Mancha.

## CUÍDATE OHLA

In 2021, the **CUÍDATE OHLA** corporate programme continued to take shape, and **access to all programme content has been extended to the Spanish-speaking countries** in Latin America where the company has a stable presence.

Although the frequency of weekly emails and online workshops has been maintained, some face-to-face initiatives did go ahead during the period, such as the physiotherapy workshop known as *El Guardaespaldas* (The Bodyguard). The scope of this particular initiative was extended to include other offices of the Spain Division, with Barcelona being the first of these. Various health campaigns have also been launched, such as those to help people stop smoking and lose weight, with the first of these workshops starting in early 2022.

On 1 September 2021, OHLA adhered to the Luxembourg Declaration, thereby undertaking to integrate the basic tenets of occupational health into the health management of its employees.



DECLARACIÓN DE LUXEMBURGO

Con fecha 01/09/2021 la empresa

OBRASCON HUARTE LAIN, S.A.

se ha adherido a la Declaración de Luxemburgo, por lo que se compromete a integrar los principios básicos de la promoción de la salud en el trabajo, en la gestión de la salud de sus trabajadores.

Another key activity undertaken by OHLA's Occupational Health and Safety Service was the development and global implementation, effective 1 January 2022, of the OPC (Operational Control) software tool for the integrated management of the Health and Safety Management System (HSMS). The platform is there to facilitate the daily work of HSMS technicians and enable better prevention by eliminating risks from the activities carried out by employees.

The HSMS online training course was also completed in 2021. This initiative will ultimately extend to all OHLA business lines and will be a priority training concern for expatriate employees.

The South Corridor project in Miami, in which OHLA CA participates, has signed a collaboration agreement with the University of South Florida and OSHA, the US Labour Authority, to improve safety and health conditions under the initiative

Actions have also been carried out to improve the quality of life of all the people who make up OHLA. *Canal Salud* (Health Channel) is one such action. It is a community to raise awareness of the various health initiatives and programmes offered on the corporate intranet. Announcements have now been made on the following topics: glaucoma prevention; natural remedies for colds; seasonal flu advice; melanomas; sunbathing precautions; advice on World No-Tobacco Day, World Asthma Day and World Sleep Day. Safe travel recommendations, information on the Mediterranean diet, and advice on the use of headphones, how to take good care of your heart and related pathologies.

Regular health surveillance campaigns are also carried out. Gynaecological and urological check-ups; seasonal flu campaign; eye health campaigns and regular medical check-ups.

## Customers

OHLA relies on its Integrated Management System (IMS) to obtain information in pursuit of customer satisfaction as it identifies and responds to their needs and expectations. To succeed in this task, it monitors information showing customer perception of OHLA's compliance with the relevant requirements. The survey is regularly used as an analytical aid. Customers can also express their satisfaction or dissatisfaction through questionnaires, interviews, complaints, claims, suggestions and/or after-sales audits.

OHLA relies on continuous improvement, SWOT analysis and management review to identify the areas of its organisation that present opportunities for improvement and establishes the necessary actions to enable continuous progress in the performance of the Integrated Management System.

Each year, quality objectives focus mainly on the company's commitment to create new processes to cater to the needs and requirements of our customers and stakeholders. A total of 1,811 claims, complaints and suggestions were received at OHLA in 2021, 2% less than in 2020 (1,846 claims)[10].

The company continued its programme of internal and external follow-up audits during the year, maintaining the multi-site certificates for Quality (ISO 9001:2015), Occupational Health and Safety (ISO 45001:2018) and Environment (ISO 14001:2015). These certifications account for more than 90%8 of certified sites. In the context of sales, it accounts for 64% of revenues.

These certifications provide added confidence and assurance about information management and internal processes, in relation to energy efficiency, health and safety and the environment. All this is of particular importance to the company in terms of business, competition and reputation. It also allows the business to target focal points for continuous improvement and the pursuit of management excellence. OHLA has therefore committed in its 2022–2024 Sustainability Plan to keep the percentage of certified sites at above 90%[11] for at least the next three years.

## Supply chain

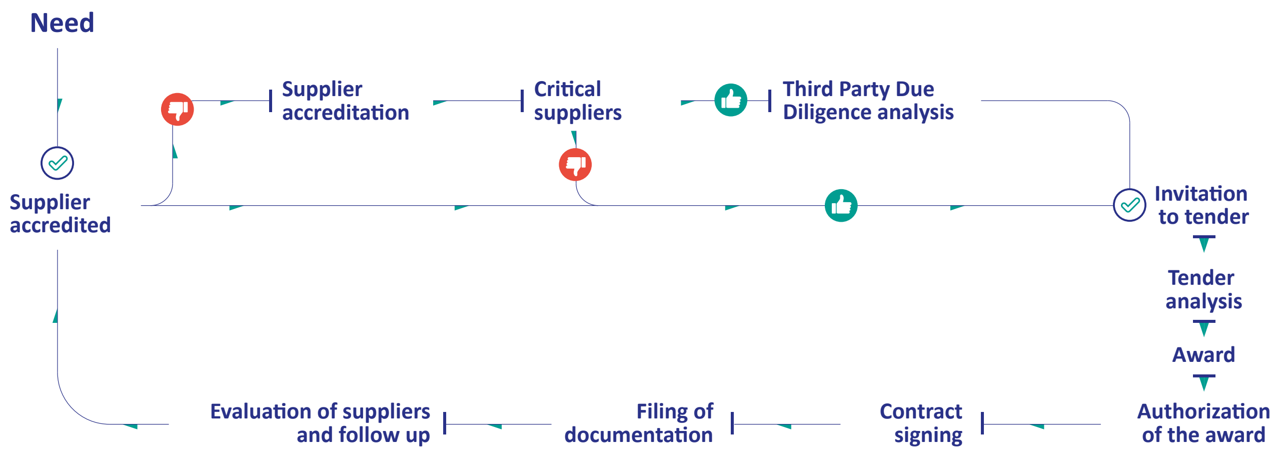
The identification and control of risks associated with the supply chain is key to the proper management and success of all projects. Given the relentless uncertainty we have been seeing in recent years amid the pandemic, it is now more important than ever for OHLA to ensure the sound management of its suppliers so that they honour their supply commitments. This means, among other needs, setting appropriate mechanisms in place to manage ESG (environmental, social and governance) risks throughout the life cycle.

OHLA therefore relies on a model through which it can manage the different risks associated with the procurement process, all suitably aligned with the principles of action set out in the responsible procurement and sustainability policies based on transparency, fairness, commitment, integrity and value creation. Thus, every single new supplier is evaluated on the basis of financial and non-financial criteria.

[10] *The company considers a claim to be a grievance received in relation to an alleged construction defect in the work performed by OHLA within three months of its delivery to the customer.*

[11] *This percentage does not include the part of the business located in the United States.*

PURCHASING PROCESS




The process begins with an assessment (approval) before any contract can be signed, in accordance with the requirements set out in the company's codes, policies, standards and processes. As part of the approval process, OHLA insists that all suppliers sign the Responsible Procurement Policy, which includes compliance with the Code of Ethics and the Ten Principles of the United Nations Global Compact. They must also not have been found to have breached any of these principles during the last three years by virtue of a non-appealable ruling or decision. Additionally, critical suppliers must undergo a third-party due diligence in which their technical, financial and compliance-related suitability is assessed. At the end of the lifecycle, an evaluation and monitoring exercise is carried out to ensure that all procurement and subcontracting activity complies with the ESG requirements set out in the contract.

The form to be filled in by suppliers or contractors as part of the assessment process was updated in 2020 to specifically include aspects related to ESG, such as compliance with the principles of the Global Compact and knowledge and application of the values and principles of the Code of Ethics, the Anti-corruption Policy, the Crime Prevention Policy and the Responsible Procurement Policy. In 2021, further quality, environmental and prevention criteria were added to those already used in the approval process, and work continued to evolve the system with the aim of improving its analytical capabilities and optimising estimated project costs. A supply chain assessment and monitoring procedure was also implemented, and the Procurement Information System (PIS) has been adapted accordingly to comply with it. Work is now under way to increase the information available on suppliers and to automate the company's experience with each of them. This, together with the scores obtained from the third-party due diligence process and internal monitoring and screening, will make key information available in a clear and simple way for decision-making.

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| **Total number of suppliers/subcontractors utilised in the year** | 18.087 | 18.218 | 17.195 |
| **Total volume of expenditure on purchases from suppliers/subcontractors in the year (EUR million)*** | 2.110 | 1.897 | 2.106 |
| **Total volume of expenditure on purchases from local (in-country) suppliers/subcontractors**** | 96,1%** | 96,7% | 96,5% |

(*) Includes data on supplies and external services

(**) Estimated based on the amounts reported by country of purchases from local suppliers

Sustainability is a cornerstone of the company's strategy and supply chain. The procurement area works across the entire Group to encourage the incorporation of sustainable criteria in decision-making and purchasing processes. To succeed, it seeks to review and update the supplier approval criteria to incorporate additional sustainability aspects and has also drawn up a catalogue of suppliers of materials and machinery with a lower environmental impact in order to promote the consumption of recycled natural raw materials or those bearing "Sustainable" or "Low-carbon building materials" certification or similar characteristics. A prime example of this is ELSAN, a Group subsidiary specialising in the conservation and maintenance of road, airport, urban and infrastructure services, which has succeeded in replacing the existing thermal oil boiler-burner at its plant in Arganda del Rey, Madrid, Spain, with a new natural gas burner, in a bid to reduce its $CO_2$ emissions.

It also promotes the purchase of sustainable products and efficiency when it comes to material consumption, and continues to focus on fostering working relationships with suppliers that incorporate environmental management aspects, especially those who supply office supplies and computer consumables. Meanwhile, collaboration agreements are maintained with various companies to encourage the use of sustainable mobility solutions when commuting to and from work and when travelling on business, thus ensuring that the zero-emission mobility objectives complement the objectives being pursued to reduce the carbon footprint. Looking ahead, General Services is planning to enter into agreements for the purchase of green energy or renewable energy at all offices[12].

# Community

## Generating value for the community

The infrastructure and services sector is of immense importance for further economic development and growth. However, if we take into account the current trend in population growth in emerging countries, ageing in developed countries and the increased urbanisation and size of cities, it becomes clear that infrastructure plays a key role, as a tool for the provision of services that improve cohesion, competitiveness, quality of life and social inclusion.

OHLA's commitment to the development of the communities in which it operates is framed from different perspectives and begins with its contribution to the well-being of citizens.

### ECONOMIC VALUE GENERATED AND DISTRIBUTED

| | 2021 | 2020 | 2019 |
|---|---|---|---|
| **Valor económico generado** | | | |
| a) Income | | | |
| Revenue | 2.778.604 | 2.830.737 | 2.959.905 |
| Other operating income | 125.665 | 51.155 | 86.175 |
| Finance and other income | 116.923 | 17.857 | 22.936 |
| **Total** | **3.021.192** | **2.899.739** | **3.069.016** |
| b) Operating costs | | | |
| Cost of sales | 1.513.204 | 1.591.062 | 1.726.202 |
| Other operating expenses | 484.835 | 467.802 | 497.187 |
| c) Wages and employee benefits | | | |
| Staff costs | 814.608 | 755.130 | 757.502 |
| d) Payments to providers of capital | | | |
| Dividend | 0 | 0 | 0 |
| Finance costs and exchange differences | 87.931 | 56.286 | 54.270 |
| e) Taxes | | | |
| Income tax | 36.243 | 22.989 | 21.842 |
| f) Resources allocated to society | | | |
| Resources allocated to the community | 382 | 373 | 424 |
| **Total** | **2.937.203** | **2.893.642** | **3.057.427** |

(EUR thousand)

[12] *For owned offices or those over which OHLA has decision-making authority.*

OHLA generates a positive impact by boosting the region's economy through local recruitment and professional collaboration with local suppliers. We are also concerned with fairness and equal opportunities in all recruitment processes. A prime example would be the Cúcuta metropolitan aqueduct project (Colombia), in which some 70 women and five people with disabilities have worked since its inception; or the Guadalajara Light Train project (Mexico), in which around 4,000 unskilled workers were recruited to carry out certain tasks, thus helping to improve the job prospects of more vulnerable profiles.

When undertaking certain projects, OHLA carries out further work to improve the infrastructure of the communities in which it is present. Highlights include the construction of the access road to the educational community of San Rafael and Bahía, as part of the Cordillera Central Crossing project, the beautification of parks in Cúcuta, and the structural improvements made to five schools in the Málaga-Los Curos project, all located in Colombia.

OHLA supports worthy causes and is sensitive to the problems that affect society in general and more specifically those groups that are most vulnerable and/or at risk of social exclusion. In the communities where the company is present, it forges strategic alliances with third sector organisations and with the community itself to identify and address local needs. The company carries out various actions depending on the needs of the communities and its employees get involved in these activities through volunteering. These activities are aimed at different segments and relate mainly to education/training, the promotion of culture and historical heritage, and donations of materials, food and sports equipment, among other initiatives.

### Training

Workshops and training and capacity-building projects are frequently carried out to create opportunities and promote employability among the most vulnerable groups. One example would be OHLA's involvement in Spain in the self-improvement academy organised by Fundación Integra. In 2021, company employees devoted more than 60 hours of their time to help improve the job prospects of more than 1,700 beneficiaries facing social exclusion or with disabilities. In 2021, the company also collaborated with the Fundesteam foundation in Panama and with the Inspiring Girls foundation to promote STEAM (Science, Technology, Engineering, Arts and Maths) education and, especially in the latter case, to reduce the gender gap in this sector.

### Promotion of culture and historical heritage

We help to preserve historical heritage through training and cultural outreach activities. On construction sites that include archaeological remains or those of special cultural importance, induction talks on how to respect this heritage are typically given to both on-site personnel and anyone else from the community who is interested. Centro Canalejas Madrid stands out as being one of the largest urban regeneration projects in Spain.

Centro Canalejas Madrid, Spain.

## Social inclusion

Socio-occupational integration is one of OHLA's priority lines of action. This commitment takes shape mainly through the promotion of direct employment and various awareness-raising and corporate volunteering actions. To succeed in this task, the organisation collaborates with various entities and foundations, including Adecco, Integra (where we sit on the Board of Trustees), Konecta, Prodis, Agua de Coco, Aprocor, Randstad, Aldeas Infantiles, Inspiring Girls and Down Madrid. Thanks to this joint work, OHLA has been recognised as a socially committed company, for having hired — mainly through Ingesan, the parent of its Services business unit — more than 700 vulnerable people and those at risk of social exclusion.

The company also promotes social inclusion in people's day-to-day lives through the numerous social services we provide. For instance, we have created a social services platform known as Vera to meet the needs of users through the application of digital technologies.

Coinciding with the Tokyo Paralympic Games, OHLA held its first Inclusion Olympics in October with Fundación Adecco, to support the development of basic skills through sport. The day was a huge success thanks to the commitment shown by OHLA employees and their families. All the participants helped to develop the social skills and levels of self-esteem, concentration and coordination among people with disabilities, thus promoting their social and labour inclusion.

## Other actions

The Covid-19 pandemic remained a constant presence throughout 2021. Since the onset of the pandemic, the company has continued to support the communities in which it is present by offering donations and providing support to vulnerable families.

The company received various accolades and recognitions during the period, including: recognition from the Regional Government of Andalusia (Spain) for Ingesan's work at the Hospital de La Merced de Osuna during the pandemic; the Covid-19 Badge of Excellence from the Chilean Safety Association (ACHS) for the Justice Centre of Santiago de Chile, after verifying compliance with the requirements and standards to help prevent the further spread of the disease.

OHLA showed its commitment and solidarity with the city of Madrid — especially through its Services business line and its subsidiary ELSAN — by stepping up its road cleaning and reconditioning work in response to the heavy snowfall caused by Storm Filomena, which affected all of central Spain and especially Madrid. Once the storm subsided, our work focused on clearing roads and ensuring access to critical places and infrastructure, such as hospitals, fire stations and industrial estates, to support the other health and supply services considered essential for the public.

Emergency assistance was also provided to families in the Omar Torrijos district (District of San Miguelito, Panama) who had suffered flooding, through the donation of food bags and cleaning kits to get them get back on their feet following the storm.

### OHLA CHALLENGE, A NEW APPROACH TO VOLUNTEERING

OHLA Challenge was born in late 2021 as a new concept of volunteering, with new actions and new faces, but the same spirit and commitment as always: to help build a better world; because everything we do at work and in our personal lives matters and has an impact.

The first of the OHLA Challenges was known as *OHLA Challenge celebramos* and encompassed all of the initiatives carried in the period leading up to Christmas. Specifically, initiatives were carried out alongside Food Banks and Children's Villages around the world — in Chile, Colombia, the United States, Spain, Mexico, Peru and the Czech Republic — allowing us to improve the nutrition of many families in need, and to bring a smile to the faces of children at such a special time of the year. Meanwhile, a charity market was held in Madrid to provide welcome support to the invited associations and allow them to face 2022 with renewed energy and improved resources and opportunities to succeed in their mission of building a better, more sustainable and inclusive world.

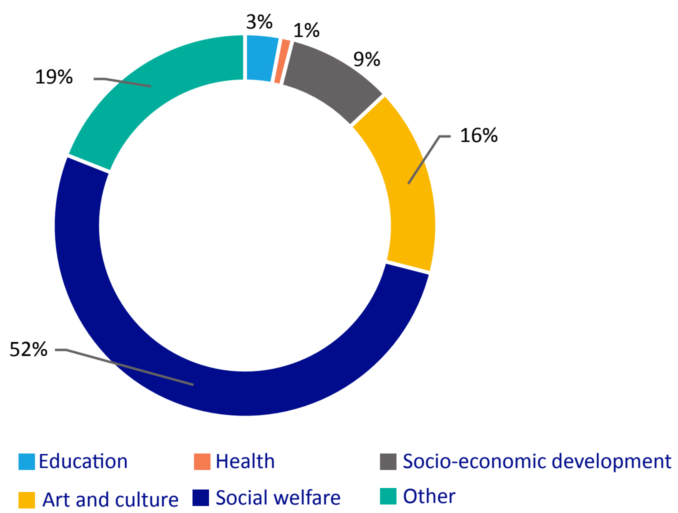
During *OHLA Challenge celebramos*, many employees took part in the drawing contest and ugly Christmas sweater competition, making them hugely popular initiatives. It has been a unique opportunity to share quality time and further strengthen the relationships between the people who form part of the OHLA community and, by extension, their families.



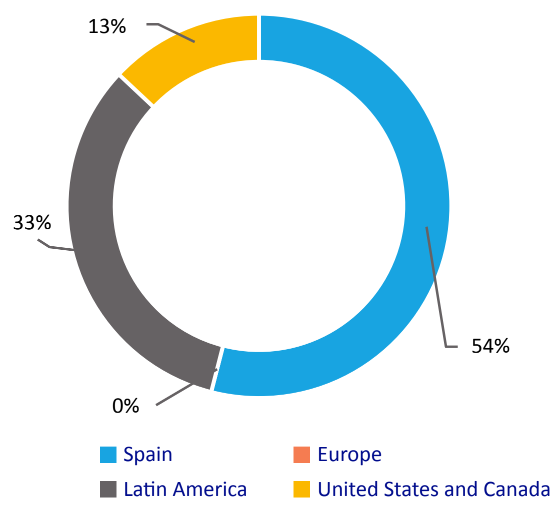


In 2021, OHLA's social investment amounted to EUR 382,428.

SOCIAL INVESTMENT BY POLICY AREA




SOCIAL INVESTMENT BY GEOGRAPHICAL AREA



# About this report




Galería Canalejas. Spain.

# About this report

This report, which contains the Non-Financial Statement, forms part of OHLA's Consolidated Management Report for 2021 and describes the progress made in terms of sustainability throughout the year at both the company and along its value chain. The aim is to ensure direct and transparent communication with all OHLA stakeholders in relation to the company's performance, strategy and all other relevant issues for generating short- and long-term value. The information contained in this report should be read in conjunction with other corporate documents and information found at https://ohla-group.com/.

## Scope

The scope of this report is the same as that of the consolidated financial statements and therefore includes Obrascón Huarte Lain, S.A. and its subsidiaries for 2021.

For further information on the companies included in the scope, please refer to the scope of the consolidated financial statements.

To ensure the utmost transparency of the information, any scope change that may affect the comparability of the information will be indicated in due course throughout the report.

## Metodología de la elaboración

The non-financial and sustainability information has been drawn up in accordance with the recommendations of the IIRC (International Integrated Reporting Council), in accordance with the GRI Standards (core option), SASB Standards and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD); also taking into account the main material topics identified in the Group's materiality analysis and also reporting requirements in relation to the various initiatives to which OHLA is adhered. It also responds to Law 11/2018 of 28 December, amending the Spanish Commercial Code; the consolidated text of the Corporate Enterprises Act *(Ley de Sociedades de Capital)* enacted by Royal Legislative Decree 1/2010 of 2 July; and Law 22/2015 of 20 July, on auditing, with regard to non-financial and diversity information.

The sustainability reporting principles of the GRI Standards were considered when determining the content of the report (stakeholder inclusiveness, sustainability context, materiality, completeness) and the quality of the information (accuracy, balance, clarity, comparability, reliability and timeliness).

Lastly, this report contains an index showing the contents of the Non-Financial Statement (NFS) and correlating each item with the relevant GRI indicators.



## Materiality assessment

Each year, OHLA conducts a materiality assessment to ensure that the expectations and material concerns of our stakeholders are addressed throughout our report and in our strategy. Based on the results of the comprehensive analysis carried out in 2019, we carried out various actions in 2020 and 2021 with the aim of understanding and prioritising the material aspects of our business.

**2019**

- More than 40 interviews with the management team.
- Surveys of employees in different countries, positions and divisions.
- Site and project visits.
- 26 specific surveys of external stakeholders.
- Analysis and review of legislative and regulatory developments.
- Analysis of sustainability trends and best practices in the sector.

**2020**

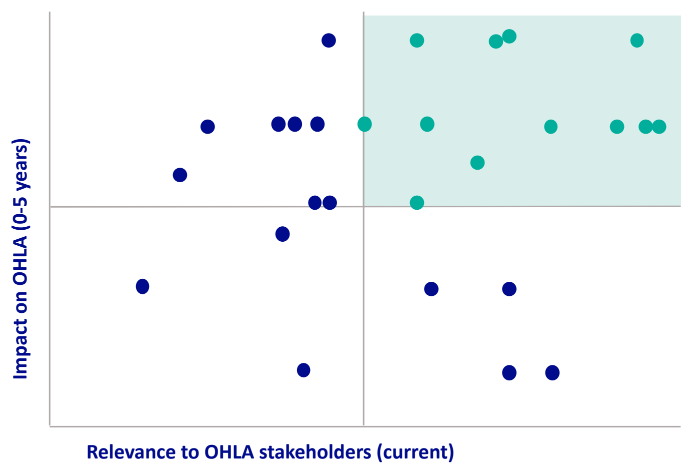
- Inclusion of legislative and regulatory developments in the analysis.
- Analysis of sustainability trends and aspects valued in international benchmark sustainability indices: DJSI, FTSE4Good, GRESB, CDP, MSC.
- Analysis and review of commitments made by companies in the sector.

**2021**

- More than 30 new interviews with senior management.
- Analysis of the results of employee surveys on internal communication.
- Inclusion of legislative and regulatory developments in the analysis.
- Analysis of sustainability trends and aspects valued in international benchmark sustainability indices: DJSI, FTSE4Good, GRESB, CDP, MSC.
- Analysis and review of commitments made by companies in the sector.

The process is summarised in the following diagram:


As the main outcome of the process, we have obtained the materiality matrix presented below, structured along two axes: relevance to our stakeholders at present and impact on OHLA's strategy in the short to mid run.



Among all the material aspects[13], the following have been flagged as priorities (top right box):

- Efficient energy management: commitment to energy efficiency.
- Reducing GHG gas emissions and initiatives to combat climate change.
- Circular economy.
- Diversity and equal opportunities.
- Talent attraction and retention.
- Training, education and promoting the employability of the workforce.
- Occupational health and safety.
- Work-life balance and digital disconnect measures.
- Respect for and compliance with Human Rights.
- Responsible supply chain management.
- Good governance, ethics and compliance.
- Transparency of information.

Throughout this report we respond to the material topics identified, structured around the three strategic priorities envisioned in the 2022-2024 Sustainability Plan, in the following order:

**GESTIÓN RESPONSABLE**
- Buen gobierno, ética y cumplimiento.
- Transparencia informativa.
- Respeto y cumplimiento de los derechos humanos.

**NEGOCIO SOSTENIBLE**
- Gestión eficiente de la energía: apuesta por la eficiencia energética.
- Reducción de las emisiones GEI e iniciativas para luchar contra el cambio climático.
- Economía circular

**PROGRESO SOCIAL**
- Diversidad e igualdad de oportunidades.
- Atracción y retención de talento.
- Capacitación, formación y fomento de la empleabilidad de la plantilla.
- Salud y seguridad en el trabajo.
- Medidas de conciliación entre la vida personal y laboral y desconexión digital.
- Gestión responsable de la cadena de suministro.

For each material topic identified, we carried out a detailed analysis using the principle of double materiality: the impact of non-financial issues at OHLA, and the company's impact on the environment. This analysis is shown below for the material topics flagged as priorities:

[13] *See Appendix 4 for a complete list of the material topics identified..*


| Priority concern | Impact on OHLA's environment (social and environmental materiality) | Impact on OHLA (financial materiality) | Contribution to the SDGs |
|---|---|---|---|
| **Responsible management** | | | |
| Responsible supply chain management | Rising levels of global trade and production heavily impact the environment and resources, while also posing a risk in terms of labour. Responsible supply chain management, through supplier certification that includes a review of ESG aspects, allows us to identify, manage and minimise all these risks and impacts, especially in the case of suppliers from countries where compliance with the main ethical, good governance and environmental standards cannot be assured. | Sound supply chain management creates channels of trust between suppliers, provides access to strategic markets that can save on production costs, improves brand positioning globally and helps to win new business. It also lowers the risk of legal or reputational damage and the risk of being unable to procure sufficient raw or other materials, which could lead to delays in project delivery. | 8,12,16 |
| Good governance and compliance | In recent years, the international community has come to realise the importance of companies being properly and transparently managed. Good corporate governance is the bedrock for the sound functioning of markets, as it fosters credibility and stability and helps drive growth and the generation of wealth. | Poor corporate governance carries a high risk of causing reputational damage and financial losses. Strong governance and control structures, combined with a culture of transparency and readily accessible information, have become a key competitive factor and an opportunity to earn the market's trust.<br><br>Proper management of the company's governance and compliance function should minimise the risks of legal or reputational non-compliance, which in some cases could result in fines or even termination of the activity. | 16 |
| Transparency of information | Transparency is an essential element in building trust among all OHLA stakeholders, i.e. employees, customers, suppliers, partners and society as a whole. In turn, trust attracts people to the Company and builds loyalty.<br><br>Moreover, information transparency makes the business more credible and trustworthy in today's fiercely competitive global environment, so much so that it is now all but impossible to guarantee the survival and success of a company without information transparency. | Transparent information is crucial for a proper analysis of the Company by shareholders and investors. Proper management of this key business requirement leads to improved borrowing and investing conditions, increases stakeholder confidence and thus makes the Company more competitive in the marketplace. | 16 |

| Priority concern | Impact on OHLA's environment (social and environmental materiality) | Impact on OHLA (financial materiality) | Contribution to the SDGs |
|---|---|---|---|
| | **Sustainable business** | | |
| Circular economy | World economic and population growth (set to reach nine billion inhabitants by 2050) mean that the Earth's natural resources are being depleted at an alarming rate. Without proper management, there is a real risk of irreversible changes to ecosystems. This calls for efficient and responsible management of raw materials, as this will not only help to preserve ecosystems, but also to enhance economic stability (efficient use of resources is a means to solve the problems of security of supply and volatility within the commodity market). | The construction sector generates around 25% of annual waste worldwide, of which approximately 50% ends up in landfill. Increasing the use of reused material in construction projects and sites would not only help to reduce the amount of waste generated, but also create an economic opportunity because of the resulting competitive advantages and savings in production costs. | 11,12,13 |
| Efficient energy management: Commitment to energy efficiency | Traditional energy sources are finite, expensive and polluting. Responsible use of energy by reducing or optimising consumption reduces the consumption of natural resources and the consequences for ecosystems. It also lowers greenhouse gas emissions that contribute to climate change and increases the security of energy supply for the entire population. | Energy efficiency in companies translates into economic savings, as reducing electricity consumption also brings down the electricity costs of the company's activities. It also maximises profit margins and efficiency in production and commercial processes.<br><br>According to International Energy Agency (IEA) estimates, making buildings, industrial processes and transport more energy efficient could reduce global energy needs by a third by 2050. | 7,12,13 |
| Reducing greenhouse gas emissions and initiatives to combat climate change | The relentless increase in the emission of greenhouse gases into our atmosphere has been causing global warming. The consequences of this process include the melting of glaciers, the flooding of coastal areas, the intensification of meteorological phenomena and the desertification of previously fertile areas. These ecosystem effects have a direct impact on the state of social welfare, such as by causing new diseases and pandemics, or by affecting agricultural and livestock production to the point where global food availability can no longer be assured. | Along with rising sea levels caused by melting Arctic ice caps and ocean acidification, several sources have pointed to an increase in the frequency and severity of extreme events, such as hurricanes and floods, as one of the main consequences of climate change. These phenomena could cause severe damage to the global economy. According to the latest study carried out by the renowned Carbon Disclosure Project, the world's 215 largest companies estimate that their potential loss in asset value due to adverse climate impacts would be around $170 billion, representing about 1% of their market capitalisation. At OHLA, the risks associated with climate change have a direct impact on project design, planning and development. In addition, the construction industry faces significant risks due to climate change, such as damage to materials and structures, higher maintenance costs and loss of value of real estate assets, among other negative impacts. | 9,13 |

| Priority concern | Impact on OHLA's environment (social and environmental materiality) | Impact on OHLA (financial materiality) | Contribution to the SDGs |
|---|---|---|---|
| | **Social progress** | | |
| Diversity and equal opportunities | Progress within society is linked to equality and diversity, improving social welfare and human relations, enriching our cultures and improving financial returns and economic growth. Businesses have a responsibility to facilitate and contribute to this progress, so that they can grow at the pace set by society without being left behind. | From a financial standpoint, equal opportunities without discriminating by race, gender or other qualities allows companies to maximise their human resources, improve the working climate, meet the demands of society and therefore avoid painting the company in a bad light, while also generating business opportunities in the form of public and private contracts. | 5,8,10 |
| Attracting and retaining talent | Sound management of the workforce enables companies to attract young talent and retain its existing talent, thus creating a more attractive labour market with better opportunities. | Globalisation has made the labour market a more competitive place, where businesses are battling it out to attract and retain the best workers. Moreover, workers' interests are changing and vary significantly from one generation to the next. Adapting to this situation and attracting talent is key to creating competitive work teams.<br><br>According to the latest research studies, when a person thrives in a positive work environment and has the right tools at their disposal, the result is more satisfied internal and external customers, thus improving the company's financial performance and probably its market share, while also avoiding the risk of losing talent. | 8 |
| Training, education and promoting the employability of the workforce | Society is changing and with it new professional profiles and jobs have emerged. The link between education and business is therefore necessary to ensure a sustainable labour market in the long run. | Globalisation, environmental paradigm shifts, new generations and high levels of technological development lead to new objectives and regulations and generate new pursuits that companies want to achieve. This requires training and education programmes for employees, not only to build new skills but also to allow companies to achieve emerging goals and remain profitable. | 8 |

| Priority concern | Impact on OHLA's environment (social and environmental materiality) | Impact on OHLA (financial materiality) | Contribution to the SDGs |
|---|---|---|---|
| **Social progress** | | | |
| Occupational health and safety | Occupational risk prevention has a clear impact on the well-being and quality of life of workers, not only by reducing the number of accidents at work and occupational diseases, but also by encouraging healthy habits and practices among the workforce.<br><br>Sound management of occupational risk prevention will mean a lower human cost (from physical injury to loss of work, need for medical care and/or rehabilitation, loss of personal autonomy, alteration of life projects, disability, etc.) and a lower economic cost (expenses and material losses caused by the accident, both for the victim and their family, as well as the cost of the deterioration of materials and equipment and loss of working time for the company and its insurers, not to mention the cost for the public and for society in general). | Preventing occupational accidents and diseases has a real cost for companies (due to procurement costs and necessary investment to maintain installations, equipment and machinery, as well as the cost of health insurance). It can also impact the company's normal activity: production or sales decrease, or the products or services provided by the company worsen, among other effects, all of which can translate into a monetary loss.<br><br>In addition, occupational risk prevention contributes significantly to improving the company's performance and productivity by ensuring compliance with legislation and improving worker engagement and, therefore, competitiveness. | 3,8 |
| Work-life balance and digital disconnect measures | Nowadays, one of the most important aspects for most job applicants are work-life balance measures. A business that addresses and responds to these concerns will have a wider and more competitive labour market to tap into, thus increasing its chances of attracting talent. | When a company's workforce is given a good set of work-life balance measures, the result is greater employee engagement and satisfaction and, therefore, higher productivity. It is also a valuable way of reducing absenteeism due to illness and offers workers a solution for overcoming personal events in their lives, in turn lowering the cost of personnel selection, replacement and recruitment processes. | 8 |
| Respect for and compliance with the human rights of employees, regardless of conditions within the country | Respect for and protection of human rights creates propitious conditions for human beings to live in dignity and enjoy freedom, justice and peace. Companies have a responsibility to promote compliance and create workplaces free of all forms of abuse, thus facilitating social progress in the places where they operate. | The UN Guiding Principles on Business and Human Rights calls on all companies to comply with, promote, prevent and address human rights abuses in their activities. Failure to honour these obligations would have clear financial and reputational repercussions for the business. | 8,1 |





# Assurance

EY has verified the information contained in this report following the ISAE 3000 standard, with limited assurance scope.

## Contact details

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OHLA – Progress Enablers (ohla-group.com)

Our Commitment – OHLA (ohla-group.com)

# Appendices



I75. EE.UU.

# Appendices

## Appendix 1: Other HR figures

### WORKFORCE BREAKDOWN BY OCCUPATIONAL CATEGORY, AGE AND GENDER 2021

| | | | | <30 | | | | 30-45 | | | | 46-55 | | | | >56 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Permanent | | Temporary | | Permanent | | Temporary | | Permanent | | Temporary | | Permanent | | Temporary | |
| | Total | Men | Women | M | W | M | W | M | W | M | W | M | W | M | W | M | W | M | W |
| Senior management | 9 | 9 | 0 | - | - | - | - | 1 | - | - | - | 3 | - | - | - | 5 | - | - | - |
| Managers | 77 | 70 | 7 | - | - | - | - | 9 | 2 | - | - | 40 | 4 | - | - | 21 | 1 | - | - |
| Middle managers | 781 | 689 | 92 | 4 | - | - | - | 246 | 35 | 14 | 4 | 256 | 37 | 11 | - | 153 | 16 | 5 | - |
| Other line personnel | 3.244 | 2.441 | 803 | 160 | 67 | 102 | 59 | 793 | 342 | 376 | 125 | 491 | 140 | 129 | 18 | 337 | 46 | 53 | 6 |
| Clerical staff | 635 | 209 | 426 | 22 | 39 | 38 | 37 | 46 | 141 | 31 | 35 | 36 | 106 | 8 | 10 | 24 | 55 | 4 | 3 |
| Manual workers | 18.033 | 7.114 | 10.919 | 474 | 320 | 531 | 496 | 1.681 | 1.935 | 976 | 1.226 | 1.506 | 2.842 | 504 | 1.033 | 1.173 | 2.586 | 269 | 481 |
| **TOTAL** | **22.779** | **10.532** | **12.247** | **660** | **426** | **671** | **592** | **2.776** | **2.455** | **1.397** | **1.390** | **2.332** | **3.129** | **652** | **1.061** | **1.713** | **2.704** | **331** | **490** |

M: Men / M: Women

### WORKFORCE BREAKDOWN BY OCCUPATIONAL CATEGORY, AGE AND GENDER 2020

| | | | | <30 | | | | 30-45 | | | | 46-55 | | | | >56 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Permanent | | Temporary | | Permanent | | Temporary | | Permanent | | Temporary | | Permanent | | Temporary | |
| | Total | Men | Women | M | W | M | W | M | W | M | W | M | W | M | W | M | W | M | W |
| Senior management | 11 | 11 | - | - | - | - | - | 1 | - | - | - | 3 | - | - | - | 7 | - | - | - |
| Managers | 75 | 70 | 5 | - | - | - | - | 11 | 3 | - | - | 40 | 2 | - | - | 19 | - | - | - |
| Middle managers | 1.303 | 1.148 | 155 | 13 | 3 | 7 | 3 | 397 | 69 | 41 | 10 | 368 | 39 | 30 | 2 | 275 | 29 | 17 | - |
| Other line personnel | 2.675 | 1.973 | 702 | 163 | 66 | 70 | 38 | 747 | 317 | 271 | 95 | 375 | 105 | 83 | 14 | 234 | 64 | 30 | 3 |
| Clerical staff | 571 | 208 | 363 | 26 | 33 | 27 | 24 | 52 | 117 | 27 | 30 | 34 | 105 | 11 | 8 | 27 | 46 | 4 | - |
| Manual workers | 15.790 | 7.248 | 8.542 | 402 | 277 | 598 | 419 | 1.539 | 1.680 | 1.374 | 959 | 1.327 | 2.058 | 751 | 790 | 914 | 1.945 | 343 | 414 |
| **TOTAL** | **20.425** | **10.658** | **9.767** | **604** | **379** | **702** | **484** | **2.747** | **2.186** | **1.713** | **1.094** | **2.147** | **2.309** | **875** | **814** | **1.476** | **2.084** | **394** | **417** |

M: Men / M: Women

### WORKFORCE BREAKDOWN BY COUNTRY AND CONTRACT TYPE

| | 2021 | | | 2020 | | |
|---|---|---|---|---|---|---|
| | Permanent | Temporary | Total | Permanent | Temporary | Total |
| Saudi Arabia | 30 | 13 | 43 | 43 | 0 | 43 |
| Algeria | 3 | 3 | 6 | 3 | 8 | 11 |
| Argentina | 1 | 0 | 1 | 1 | 0 | 1 |
| Canada | 11 | 0 | 11 | 15 | 0 | 15 |
| Chile | 2.350 | 871 | 3.221 | 3.223 | 773 | 3.996 |
| Colombia | 197 | 391 | 588 | 134 | 303 | 437 |
| Spain | 10.482 | 3519 | 14.001 | 7.937 | 3285 | 11.222 |
| United States of America | 1.613 | 9 | 1.622 | 956 | 942 | 1.898 |
| Ireland | 20 | 0 | 20 | 45 | 0 | 45 |
| Jordan | 0 | 5 | 5 | 0 | 18 | 18 |
| Kuwait | | | 0 | 2 | 2 | 4 |
| Mexico | 91 | 706 | 797 | 182 | 284 | 466 |
| Moldova | 2 | 2 | 4 | 0 | 9 | 9 |
| Norway | 40 | 14 | 54 | 69 | 2 | 71 |
| Oman | 0 | 6 | 6 | 5 | 10 | 15 |
| Panama | 8 | 18 | 26 | 6 | 0 | 6 |
| Peru | 19 | 768 | 787 | 18 | 605 | 623 |
| Poland | 3 | 0 | 3 | 4 | 0 | 4 |
| Czech Republic | 1.209 | 197 | 1.406 | 1.177 | 218 | 1.395 |
| Slovakia | 80 | 41 | 121 | 88 | 21 | 109 |
| Sweden | 22 | 0 | 22 | 12 | 0 | 12 |
| Turkey | 5 | 10 | 15 | 10 | 12 | 22 |
| Uruguay | 2 | 0 | 2 | 2 | 0 | 2 |
| United Kingdom | 6 | 11 | 17 | | | |
| Vietnam | 1 | 0 | 1 | 1 | 0 | 1 |
| **Total** | **16.195** | **6.584** | **22.779** | **13.933** | **6.492** | **20.425** |

More than 95% of the OHLA Group's contracts are full-time, except in the case of Services, where full-time contracts account for 44% of the total due to the seasonal nature of its activities.

## AVERAGE AGE AND LENGTH OF SERVICE

| | 2021 | |
|---|---|---|
| | Average age | Average length of service |
| **Construction** | 43,8 | 6,2 |
| **Industrial** | 41,6 | 5,4 |
| **Services** | 47,0 | 1,5 |
| **Other activities** | 38,8 | 4,4 |

## INDIRECT JOBS CREATED[1]

| | 2021 | | 2020 | |
|---|---|---|---|---|
| | No. of subcontractor companies | No. of employees | No. of subcontractor companies | No. of employees |
| **Construction** | 2.724 | 13.949 | 1.176 | 7.090 |
| **Industrial** | 83 | 902 | 23 | 186 |
| **Services** | 713 | 2.766 | 880 | 3.417 |
| **Other activities** | 5 | 5 | 5 | 8 |
| **Grand total** | **3.525** | **17.622** | **2.084** | **10.701** |

(1) Induced employment corresponds to 100% of the estimated workforce of subcontractors without weighting by the volume of operations with OHLA.

## CHURN[2] AND NEW HIRES

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Men | Women | Total | Total |
| **Total departures** | 4.830 | 2.564 | 7.394 | 13.732 |
| **Total new hires** | 7.801 | 13.423 | 21.224 | 15.122 |

Índice de rotación: 32,46%

(2) Churn rate influenced by the seasonality of certain activities such as the Services segment, as well as international staff movements (especially for staff attached to the "Operator" category). When calculating the churn rate, voluntary departures, departures due to death, departures due to dismissal and departures due to retirement have been counted..

## HOURS OF ABSENTEEISM[3]

| 2021 | | | 2020 |
|---|---|---|---|
| Men | Women | Total | Total |
| 1.859.675,2 | 2.641.019,0 | 4.500.694,2 | 3.642.608,1 |

(3) When calculating absenteeism hours, the following concepts are counted: strikes, absences, temporary incapacity, and paid and unpaid leave.



## PARENTAL LEAVE

| | 2021 | | | 2020 |
|---|---|---|---|---|
| | Men | Women | Total | Total |
| Employees to have taken parental leave | 149 | 188 | 337 | 325 |
| Employees who returned to their job after their parental leave ended | 140 | 123 | 263 | 241 |
| **Return rate** | **94%** | **65%** | **78%** | **74%** |

## DISMISSALS BY JOB CATEGORY, AGE AND GENDER

| | 2021 | 2020 |
|---|---|---|
| **Senior management** | 2 | 0 |
| **Executives** | 5 | 3 |
| **Middle managers** | 67 | 75 |
| **Other line personnel** | 165 | 310 |
| **Clerical staff** | 42 | 237 |
| **Manual workers** | 3.540 | 2.206 |
| **TOTAL** | **3.821** | **2.831** |

| <30 | | 30-45 | | 46-55 | | >56 | | Total 2021 | | Total 2020 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| M | W | M | W | M | W | M | W | M | W | M | W |
| 554 | 240 | 1.203 | 347 | 665 | 208 | 458 | 146 | 2.880 | 941 | 2.355 | 476 |

M: Men / M: Women

## OHLA GROUP GENDER PAY GAP BY OCCUPATIONAL CATEGORY, BUSINESS UNIT AND GEOGRAPHICAL AREA

| | 2021 | | | |
|---|---|---|---|---|
| | OHLA-EUROPE | OHLA-LATAM | OHLA-NORTH AMERICA | OHLA SERVICES |
| **Senior management** | - | - | - | - |
| **Managers** | 10,0% | - | - | 8,8% |
| **Middle managers** | 0,5% | 28,0% | 10,9% | 2,0% |
| **Other line personnel** | 19,1% | 29,4% | 19,4% | 14,0% |
| **Clerical staff** | 14,0% | -0,3% | -2,0% | -12,5% |
| **Manual workers** | 7,6% | 35,8% | 10,3% | 2,0% |
| **TOTAL** | **13,3%** | **28,0%** | **27,5%** | **9,9%** |

(1) Gender pay gap calculated according to the following formula: (Average pay for men - average pay for women)/Average pay for men], whereby a percentage greater than zero means that the average pay for women is lower than the average pay for men.
(2) The pay gap has been calculated on the basis of total remuneration, which includes fixed remuneration, variable remuneration, remuneration in kind and other bonuses or wage supplements.
(3) Business units and geographic areas include the following countries:
-Europe: Spain, Czech Republic, Sweden, Poland, Norway, Ireland, Moldova, Slovakia, Turkey, Saudi Arabia, Jordan, Oman, Jordan, Algeria, Canada, Vietnam.
-Latin America: Mexico, Chile, Peru, Panama, Colombia and Uruguay.
-North America: United States.
-Services: Spain, Mexico and Chile.
(4) Calculations of the gender pay gap have been made after applying the relevant exchange rates for conversion into euro.

## AVERAGE REMUNERATION AT OHLA IN 2021 BY GENDER, AGE AND OCCUPATIONAL CATEGORY

| | Under 30 | | Between 30 and 45 | | Between 46 and 55 | | Over 55 | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | M | W | M | W | M | W | M | W | M | W |
| Senior management | - | - | 465.996 | - | 539.008 | - | 1.597.846 | - | 1.191.655 | |
| Manager | - | - | 190.961 | 165.633 | 251.231 | 144.004 | 241.780 | 200.389 | 242.053 | 163.508 |
| Middle managers | 65.851 | 26.294 | 93.483 | 78.153 | 97.054 | 87.162 | 114.021 | 87.244 | 99.531 | 82.908 |
| Other line personnel | 33.039 | 26.308 | 39.443 | 32.339 | 47.793 | 38.725 | 53.362 | 31.051 | 43.081 | 32.494 |
| Clerical staff | 31.889 | 25.971 | 24.104 | 29.849 | 34.911 | 31.351 | 37.457 | 29.995 | 30.636 | 29.632 |
| Manual workers | 32.486 | 22.939 | 40.309 | 21.082 | 40.363 | 15.973 | 42.444 | 11.123 | 39.376 | 17.149 |

M: Men / M: Women.
(*) Includes fixed remuneration, variable remuneration, remuneration in kind and other bonuses or wage supplements.

## AVERAGE REMUNERATION AT OHLA IN 2020 BY GENDER, AGE AND OCCUPATIONAL CATEGORY

| | Under 30 | | Between 30 and 45 | | Between 46 and 55 | | Over 55 | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | M | W | M | W | M | W | M | W | M | W |
| Executives | - | - | 236.178 | 157.554 | 263.356 | 80.891 | 633.961 | - | 386.538 | 132.000 |
| Middle managers and other line personnel | 43.635 | 30.530 | 54.120 | 39.148 | 68.251 | 50.354 | 73.388 | 28.528 | 60.761 | 38.882 |
| Clerical staff and manual workers | 26.721 | 23.051 | 31.753 | 21.862 | 33.529 | 25.432 | 37.926 | 28.718 | 32.405 | 23.997 |

M: Men / M: Women.
(*) Includes fixed remuneration, variable remuneration, remuneration in kind and other bonuses or wage supplements.
(**) Average director remuneration includes senior management and executives.

## AVERAGE REMUNERATION AT OHLA SERVICES IN 2021 BY GENDER, AGE AND OCCUPATIONAL CATEGORY

| | Under 30 | | Between 30 and 45 | | Between 46 and 55 | | Over 55 | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | M | W | M | W | M | W | M | W | M | W |
| Senior management | - | - | - | - | 402.085 | - | - | - | 402.085 | - |
| Manager | - | - | 132.606 | 125.462 | 123.443 | 104.425 | 93.241 | - | 122.256 | 111.437 |
| Middle managers | - | - | 48.716 | 54.237 | 64.077 | 63.372 | 56.774 | - | 58.449 | 57.282 |
| Other line personnel | 27.743 | 21.678 | 31.292 | 28.769 | 32.992 | 31.309 | 38.332 | 31.518 | 32.116 | 27.628 |
| Clerical staff | 11.839 | 11.596 | 14.121 | 17.373 | 22.587 | 18.713 | 13.784 | 20.368 | 14.503 | 16.312 |
| Manual workers | 11.618 | 12.410 | 15.528 | 13.904 | 16.160 | 15.069 | 14.878 | 15.834 | 15.004 | 14.751 |

M: Men / M: Women.
(*) Includes fixed remuneration, variable remuneration, remuneration in kind and other bonuses or wage supplements.

## AVERAGE REMUNERATION AT OHLA SERVICES IN 2020 BY GENDER, AGE AND OCCUPATIONAL CATEGORY

| | Under 30 | | Between 30 and 45 | | Between 46 and 55 | | Over 55 | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | M | W | M | W | M | W | M | W | M | W |
| Executives | - | - | 174.427 | 113.915 | 120.367 | - | 92.559 | 130.401 | 160.834 | 122.158 |
| Middle managers and other line personnel | 16.159 | 16.280 | 42.712 | 26.591 | 40.046 | 21.920 | 31.081 | 27.781 | 32.772 | 25.521 |
| Clerical staff and manual workers | 12.372 | 11.903 | 18.229 | 15.025 | 15.530 | 15.655 | 16.951 | 13.757 | 16.419 | 14.563 |

M: Men / M: Women.
(*) Includes fixed remuneration, variable remuneration, remuneration in kind and other bonuses or wage supplements.
(**) Average director remuneration includes senior management and executives.

## AVERAGE REMUNERATION OF SENIOR MANAGEMENT BY GENDER

| | 2020 | | 2021 | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| Average remuneration of senior management (EUR thousand)* | 1.079 | - | 1.417 | - |

* The data considered for the calculation include wages, short- and long-term variable remuneration, financial instruments or share-based remuneration schemes, severance payments, long-term savings schemes and other items, all relating to senior management, including the remuneration of the Chief Executive Officer for his executive duties.

## RAVERAGE REMUNERATION OF DIRECTORS BY GENDER

| | 2020 | | 2021 | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| Average director remuneration (EUR thousand)* | 98 | 139 | 86,6 | 146,1 |

*The data considered for the calculation include the remuneration earned by external directors, both ordinary and extraordinary.

## TRAINING BY TRAINING TYPE AND GENDER

| CLUSTER | ÁREAS | No. of participants | Training hours: Online | Training hours: Face-to-face | Nº. of courses | Workforce: Men | Workforce: Women |
|---|---|---|---|---|---|---|---|
| Non-subsidised training | Non-subsidised | 1.600 | 7.090 | 6.348 | 211 | 818 | 782 |
| Shared areas and depts. | Corporate training – OHLA Group | 2.527 | 1.776 | 1.566 | 17 | 1.697 | 830 |
| | Tenders, bidding and procurement | 3 | 59 | 0 | 2 | 3 | 0 |
| Business areas | Project performance | 94 | 3.100 | 0 | 17 | 70 | 24 |
| | Technical aspects – construction | 450 | 1.632 | 8 | 38 | 233 | 217 |
| | Technical aspects – industrial | 73 | 878 | 137 | 17 | 27 | 46 |
| | Technical aspects – services | 263 | 664 | 40 | 22 | 186 | 77 |
| | Technical aspects – concessions | 101 | 300 | 0 | 1 | 101 | 0 |
| Cross-cutting areas | Languages | 177 | 3.315 | 5.604 | 20 | 128 | 49 |
| | Occupational health and safety | 9.586 | 1.722 | 22.344 | 835 | 6.587 | 3.006 |
| | Quality and environment | 786 | 228 | 1.564 | 153 | 718 | 74 |
| | Office IT tech. | 48 | 998 | 2 | 31 | 34 | 14 |
| | HR | 36 | 540 | 8 | 8 | 11 | 25 |
| | Economic-financial | 152 | 1.064 | 30 | 20 | 134 | 18 |
| | Legislation | 1.269 | 404 | 1.260 | 6 | 1.086 | 183 |
| | Skills | 1.150 | 1.731 | 632 | 26 | 706 | 444 |
| | New technologies and digitalisation | 46 | 1.873 | 8 | 28 | 31 | 15 |
| | | 18.361 | 27.374 | 39.551 | 1.452 | 12.570 | 5.804 |

## TRAINING BY JOB CATEGORY AND GENDER

| | Training hours: Men | Training hours: Women |
|---|---|---|
| Senior management | 67 | 0 |
| Management | 1.031 | 8 |
| Middle managers | 10.501 | 1.696 |
| Other line personnel | 16.094 | 6.723 |
| Clerical staff | 5.356 | 1.843 |
| Manual workers | 18.912 | 4.694 |
| | 51.961 | 14.964 |

## EMPLOYEES COVERED BY COLLECTIVE AGREEMENT

| Country | 2021 | 2020 |
|---|---|---|
| Spain | 14.001,0 | 11.178,0 |
| Chile | 1.315,0 | 2.016,0 |
| Peru | 342,0 | 492,0 |
| US | 1.223,0 | 643,0 |
| Norway | 31,0 | 35,0 |
| Czech Republic | 1.179,0 | 1.169,0 |
| Panama | 13,0 | - |
| **TOTAL** | **18.104,0** | **15.533,0** |
| **Percentage** | 79% | 76% |

# Appendix 2: Environmental performance indicators*

*Corporate centre includes data relating to offices.

| 1 Internal energy consumption | Construction | Industrial | Services | Corporate | 2021 Total | 2020 Total | 2019 Total |
|---|---|---|---|---|---|---|---|
| **Fuel consumption from non-renewable sources (GJ)** | | | | | | | |
| Diesel fuel (l) | 22.085.251,48 | 1.286.007,63 | 1.360.282,63 | 1.377.826,37 | 26.109.368,1 | 31.479.825,9 | 31.732.435,6 |
| Diesel fuel (GJ) | 769.127,7 | 44.785,7 | 47.372,4 | 47.983,4 | 909.269,2 | 1.096.297,5 | 1.105.094,8 |
| Petrol (l) | 4.103.988,1 | 8.118,0 | 187.898,0 | 202.526,8 | 4.502.530,9 | 5.304.098,0 | 4.535.078,4 |
| Petrol (GJ) | 129.689,3 | 256,5 | 5.937,7 | 6.400,0 | 142.283,6 | 167.613,7 | 143.312,1 |
| Natural gas (m3) | 5.660.814,4 | 0,0 | 0,0 | 0,0 | 5.660.814,4 | 6.650.943,6 | 6.954.089,8 |
| Natural gas (GJ) | 238.433,5 | 0,0 | 0,0 | 0,0 | 238.433,5 | 280.137,7 | 292.906,3 |
| LPG (l) | 2.167.671,7 | 100,0 | 56.051,0 | 0,0 | 2.223.822,7 | 563.269,2 | 2.208.947,3 |
| LPG (GJ) | 53.218,8 | 2,5 | 1.376,1 | 0,0 | 54.597,4 | 13.828,9 | 54.232,2 |
| Fuel consumption from non-renewable sources (GJ) | 1.190.469,4 | 45.044,7 | 54.686,2 | 54.383,4 | 1.344.583,7 | 1.557.877,9 | 1.595.545,3 |
| **Fuel consumption from renewable sources (GJ)** | | | | | | | |
| Biodiesel (l) | 1.928.100,0 | 0,0 | 0,0 | 0,0 | 1.928.100,0 | 1.226.590,0 | 246.400,0 |
| Biodiesel (GJ) | 64.459,1 | 0,0 | 0,0 | 0,0 | 64.459,1 | 41.006,6 | 8.237,5 |
| **Indirect energy acquired for consumption** | | | | | | | |
| Electricity (GJ) | 97.602,3 | 4.753,8 | 164,4 | 14.663,3 | 117.183,7 | 103.223,6 | 92.184,3 |
| Electricity with renewable certification (GJ) | 74.498,52 | 0,0 | 0,00 | 204,2 | 74.702,7 | 19.092,2 | 49.779,6 |
| **Total energy consumption (GJ)** | **1.427.029,2** | **49.798,5** | **54.850,6** | **69.250,8** | **1.600.929,2** | **1.721.200,4** | **1.745.746,8** |

| 2 Energy intensity | Construction | Industrial | Services | Corporate | 2021 Total | 2020 Total | 2019 Total |
|---|---|---|---|---|---|---|---|
| Organisational measure of sales (EUR million) | 2.232,9 | 165,50 | 361,50 | 18,7 | 2.778,6 | 2.830,8 | 2.959,9 |
| Energy intensity of sales (GJ/EUR million) | 639,1 | 300,9 | 151,7 | 3.703,3 | 576,2 | 608,0 | 587,0 |
| Change in energy consumption | There was a 5.2% reduction in energy consumption intensity compared to 2020. | | | | | | |

| 3 Total water withdrawal by source | Construction | Industrial | Services | Corporate | 2021 Total | 2020 Total | 2019 Total |
|---|---|---|---|---|---|---|---|
| Surface water ($m^3$) | 102.880,2 | 3.922,0 | 0,0 | 0,0 | 106.802,2 | 413.510,4 | 1.169.450,9 |
| Groundwater ($m^3$) | 45.394,7 | 13.749,0 | 0,0 | 0,0 | 59.143,7 | 92.560,0 | 239.250,9 |
| Rainwater (own cisterns) ($m^3$) | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 7.926,7 | 3.660,0 |
| Recovered water ($m^3$) | 2.881,5 | 0,0 | 0,0 | 0,0 | 2.881,5 | 8.502,9 | 5.525,0 |
| Water from distribution network ($m^3$) | 234.930,9 | 23.121,4 | 143.669,7 | 42.869,9 | 444.592,0 | 700.280,6 | 519.681,4 |
| **Total ($m^3$)** | **386.087,3** | **40.792,4** | **143.669,7** | **42.869,9** | **613.419,4** | **1.222.780,6** | **1.937.568,1** |



| 4 Total volume of water recycled and reused | Construction | Industrial | Services | Corporate | 2021 Total | 2020 Total | 2019 Total |
|---|---|---|---|---|---|---|---|
| Total volume of water recycled or reused ($m^3$) | 2.881,5 | 0,0 | 0,0 | 0,0 | 2.881,5 | 8.502,9 | 5.525,0 |
| Percentage of water recycled or reused as a percentage of total water consumed (%) | 0,7% | 0,0% | 0,0% | 0,0% | 0,5% | 0,7% | 0,3% |

| 5 Total water discharge by quality and destination | Construction | Industrial | Services | Corporate | 2021 Total by destination | 2020 Total by destination | 2019 Total by destination |
|---|---|---|---|---|---|---|---|
| Into the soil ($m^3$) | 47,3 | 0,0 | 0,0 | 0,0 | 47,3 | 58.228,0 | 4.400,0 |
| Into sewerage system ($m^3$) | 93.677,8 | 473,2 | 8.914,8 | 0,0 | 103.065,7 | 64.971,1 | 109.741,0 |
| To surface water ($m^3$) | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 58.702,0 | 146.918,0 |
| Into the sea ($m^3$) | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 451.800,0 |
| Into the subsoil ($m^3$) | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 | 1.203,6 |
| Reused by third parties ($m^3$) | 16,8 | 0,0 | 0,0 | 0,0 | 16,8 | 3,2 | 2.644,2 |
| Other ($m^3$) | 1.204,3 | 0,0 | 0,0 | 0,0 | 1.204,3 | 291.903,6 | 0,0 |
| Total by division ($m^3$) | **94.946,3** | **473,2** | **8.914,8** | **0,0** | **104.334,2** | **473.807,8** | **716.706,8** |

Treatment: discharge into the general sewage system and subsequent treatment (physico-chemical and biological as a minimum) at a WWTP.
Parameters: as per country authorisation and regulations.
"Other" refers to discharges to various destinations (surface water, groundwater, sewerage system) a breakdown of which cannot be given.

| 6 Materials used by weight or volume | Construction | Industrial | Services | Corporate | 2021 Total | 2020 Total | 2019 Total |
|---|---|---|---|---|---|---|---|
| Natural raw materials (soil, rock and quarry aggregates) (t) | 4.267.005,2 | 106.684,0 | 0,0 | 0,0 | 4.373.689,2 | 11.059.233,4 | 2.708.334,0 |
| Reused material of external origin (aggregates, soil, rock) (t) | 1.642.614,8 | 0,2 | 0,0 | 0,0 | 1.642.615,0 | 1.140.891,3 | 320.400,8 |
| Concrete (t) | 2.149.706,2 | 59.221,3 | 0,0 | 0,0 | 2.208.927,4 | 1.648.490,7 | 1.822.705,8 |
| Cement (t) | 79.720,1 | 2,5 | 0,0 | 0,0 | 79.722,6 | 114.757,9 | 37.699,6 |
| Topsoil of natural origin (t) | 75.221,7 | 0,0 | 0,0 | 0,0 | 75.221,7 | 547.582,5 | 56.132,7 |
| Bituminous mixtures and bitumens (t) | 407.446,2 | 0,0 | 0,0 | 0,0 | 407.446,2 | 972.311,5 | 1.277.347,0 |
| Metals (t) | 114.997,9 | 274,1 | 0,0 | 0,0 | 115.271,9 | 89.499,2 | 1.539,7 |
| Reused topsoil of external origin (t) | 64.831,0 | 0,0 | 0,0 | 0,0 | 64.831,0 | 56.425,4 | 17.196,1 |
| Wood (non-certified forest product) (t) | 5.561,0 | 15,8 | 0,0 | 0,0 | 5.576,8 | 8.030,9 | 3.403,8 |
| Paper (non-certified non-recycled forest product) (t) | 6.851,5 | 0,9 | 0,1 | 195,1 | 7.047,6 | 72,5 | 449,8 |
| Paints (t) | 16.386,9 | 47,3 | 2.419,7 | 0,0 | 18.853,9 | 36.994,2 | 223,3 |
| Paper (non-certified recycled forest product) (t) | 16,7 | 0,2 | 0,1 | 1,1 | 18,0 | 8,8 | 33,4 |
| Chemical products (solvents, phytosanitary products, fertilisers, etc.) (t) | 611,1 | 7,4 | 52,1 | 0,0 | 670,6 | 2.448,6 | 3.215,2 |
| TOTAL | **8.830.970,2** | **166.253,5** | **2.472,0** | **196,1** | **8.999.891,8** | **15.676.746,8** | **6.248.681,1** |

| 7 | Use of recovered materials | Construction | Industrial | Services | Corporate | 2021 Total | 2020 Total | 2019 Total |
|---|---|---|---|---|---|---|---|---|
| | Total (t) | 1.707.445,8 | 0,2 | 0,0 | 0,0 | 1.707.446,0 | 1.197.316,7 | 339.170,0 |
| | Percentage (%) | 19,3% | 0,0% | 0,0% | 0,0% | 18,97% | 7,6% | 5,4% |

Recovered materials include: Reused material of external origin and reused topsoil of external origin.

| 8 | Owned, leased or managed operating facilities that are adjacent to or located in geographic areas and non-protected areas of high biodiversity value | In 2021 there were seven adjacent protected areas or unprotected areas of high biodiversity value. The potential effects are on water, the coastal environment and ecosystems, and existing fauna and flora. Impacts are controlled through management plans and offsetting measures. |
|---|---|---|

| 9 | Total weight of waste by type and disposal method | Construction | Industrial | Services | Corporate | 2021 Total | 2020 Total | 2019 Total |
|---|---|---|---|---|---|---|---|---|
| | **Non-hazardous waste (NHW) by type (t)** | **2.316.766,1** | **2.794,4** | **3,7** | **28,6** | **2.319.592,7** | **2.167.831,1** | **2.198.600,8** |
| | Wood (%) | 0,3% | 16,7% | 0,0% | 0,0% | 0,3% | 1,6% | 0% |
| | Scrap (%) | 0,2% | 6,6% | 0,0% | 0,0% | 0,2% | 0,2% | 0% |
| | Pruning waste (%) | 13,2% | 0,8% | 0,0% | 0,0% | 13,1% | 14,9% | 11% |
| | Plastics (%) | 0,1% | 4,4% | 84,9% | 0,0% | 0,1% | 0,0% | 0% |
| | Paper and cardboard (%) | 0,1% | 4,1% | 15,1% | 100,0% | 0,1% | 0,0% | 0% |
| | MSW (%) | 3,1% | 6,1% | 0,0% | 0,0% | 3,1% | 3,9% | 20% |
| | Debris (%) | 42,4% | 55,5% | 0,0% | 0,0% | 42,4% | 19,4% | 15% |
| | Concrete (%) | 1,7% | 5,8% | 0,0% | 0,0% | 1,7% | 6,4% | 1% |
| | Reused topsoil (%) | 8,3% | 0,0% | 0,0% | 0,0% | 8,3% | 20,7% | 5% |
| | Internal material reused (%) | 30,7% | 0,0% | 0,0% | 0,0% | 30,7% | 32,7% | 48% |
| | **Non-hazardous waste (NHW) by treatment **** | **2.316.766,1** | **2.794,4** | **3,7** | **28,6** | **2.319.592,7** | **2.167.831,1** | **2.198.600,8** |
| | Reuse (%) | 38,3% | 0,75% | 0,0% | 0,0% | 38,2% | 57,3% | 43,8% |
| | Valorisation (%) | 3,3% | 0,00% | 0,0% | 0,0% | 3,3% | 0,5% | 3,4% |
| | Landfill (%) | 40,8% | 67,52% | 84,9% | 0,0% | 40,8% | 27,1% | 35,1% |
| | Composting (%) | 0,2% | 0,00% | 0,0% | 0,0% | 0,2% | 2,0% | 10,7% |
| | Recycling (%) | 2,3% | 31,59% | 15,1% | 100,0% | 2,3% | 3,8% | 1,9% |
| | Incineration with energy recovery (%) | 0,0% | 0,00% | 0,0% | 0,0% | 0,0% | - | - |
| | Incineration without energy recovery (%) | 15,1% | 0,14% | 0,0% | 0,0% | 15,1% | - | - |
| | Other destinations (%) | - | - | - | - | - | 9,2% | 5,1% |
| | **Hazardous waste (HW) by type (t)** | **127.926,0** | **142,8** | **3,3** | **33,6** | **128.105,8** | **45.161,2** | **80.684,8** |
| | Contaminated absorbents (%) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| | Asbestos (%) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,1% | 0,0% |
| | Contaminated sludge (%) | 0,2% | 94,2% | 0,0% | 0,0% | 0,3% | 0,0% | 0,1% |
| | Contaminated metals (%) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| | Contaminated plastics (%) | 0,0% | 0,6% | 0,0% | 0,0% | 0,0% | 0,1% | 0,0% |
| | Chemical products (%) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,1% | 0,1% |
| | WEEE (%) | 0,0% | 0,1% | 76,6% | 18,2% | 0,0% | 0,1% | 0,0% |
| | Oil bilges (%) | 0,3% | 0,0% | 0,0% | 0,0% | 0,3% | 0,0% | 0,1% |
| | Contaminated soil (%) | 98,5% | 4,8% | 0,0% | 0,0% | 98,4% | 98,1% | 99,4% |
| | Other HW (%) | 0,9% | 0,4% | 23,4% | 81,8% | 0,9% | 1,4% | 0,3% |
| | **Hazardous waste (HW) by treatment **** | **127.926,01** | **142,8** | **3,34** | **33,64** | **128.105,79** | **45.161,15** | **80.684,8** |
| | Reused (%) | 0,0% | 4,6% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| | Valorised (%) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% |
| | Landfill (%) | 58,2% | 95,1% | 23,4% | 100,0% | 58,3% | 96,4% | 96,4% |
| | Composting (%) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | 0,1% | 0,1% |
| | Recycling (%) | 41,7% | 0,4% | 76,6% | 0,0% | 41,7% | 3,4% | 3,4% |
| | Incineration with energy recovery (%) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | - | - |
| | Incineration without energy recovery (%) | 0,0% | 0,0% | 0,0% | 0,0% | 0,0% | - | - |
| | Other destinations (%) | - | - | - | - | - | 0,1% | 0,1% |

** The indicators requested for the annual environmental data reporting campaign were updated in 2021. Two new destinations were included as a result of this update: incineration with energy recovery and without energy recovery; and the destinations of recovery, injection, deposits and other destinations were removed, as they tended to cause confusion and the values reported in 2019 and 2020 were non-material. The amounts reported for these destinations in 2019 and 2020 have been grouped under the category "Other destinations".

| 10 | Number of environmental complaints lodged, addressed and resolved through formal grievance mechanisms | Construction | Industrial | Services | Corporate | Total |
|---|---|---|---|---|---|---|
| | | OHLA has not raised or addressed any significant environmental complaints through formal mechanisms in the reporting year or in previous years. | | | | |

| 11 OHLA emissions by source | (t) CO2 | (t) CH4 | (t) N2O | (t) CO2eq |
|---|---|---|---|---|
| **Not in scope** | - | - | - | - |
| **Scope 1: Stationary combustion** | 33.473,4 | 3,8 | 0,2 | 33.635,0 |
| Scope 1: Mobile combustion | 60.480,2 | 3,2 | 3,5 | 61.495,4 |
| **Scope 1: Fugitive and process emissions** | - | - | - | 0,0 |
| Wastewater treatment | - | - | - | 0,0 |
| Use of fertilisers | - | - | - | 0,0 |
| Refrigerant gases | - | - | - | 0,0 |
| Insulating gases | - | - | - | 0,0 |
| **Total Scope 1** | **93.953,7** | **7,0** | **3,6** | **95.130,4** |
| Scope 2: Imported electricity | 14.744,9 | - | - | 14.744,9 |
| **Total Scope 2** | **14.744,9** | **-** | **-** | **14.744,9** |
| **Scope 3: Purchases of goods and services** | - | - | - | 707.753,2 |
| Materials | - | - | - | 707.753,2 |
| Subcontractors: Stationary combustion | - | - | - | - |
| Subcontractors: Mobile combustion | - | - | - | - |
| Capital goods | - | - | - | - |
| **Scope 3: Fuel-energy activities** | 2.054,9 | | | 2.054,9 |
| T&D electricity losses | 1.033,8 | - | - | 1.033,8 |
| Electricity generation losses | 1.021,1 | - | - | 1.021,1 |
| **Scope 3: Waste generated** | - | - | - | 29.043,8 |
| **Scope 3: Business travel** | 4.823,9 | 2,1 | 26,0 | 12.467,1 |
| Hotel nights | - | - | - | 679,7 |
| Transport | 4.823,9 | 2,1 | 26,0 | 11.787,4 |
| **Scope 3: Employee mobility** | - | - | - | - |
| **Total Scope 3** | **6.878,8** | **2,1** | **26,0** | **751.318,9** |

HFC and SF6 emissions are not significant in the context of the overall emissions calculation.

| | | | | | 2021 | 2020*** | 2019 |
|---|---|---|---|---|---|---|---|
| **12 Emissions by business line** | Construction | Industrial | Services | Corporate | Total | Total | Total |
| Scope 1 direct GHG emissions (tCO2eq) | 84.044,0 | 3.502,2 | 4.205,9 | 3.378,2 | 95.130,4 | 111.864,3 | 113.459,9 |
| Scope 2 indirect GHG emissions (tCO2eq) | 12.805,5 | 764,2 | 22,0 | 1.153,3 | 14.744,9 | 12.623,7 | 13.921,3 |
| Scope 3 indirect GHG emissions (tCO2eq) | 724.241,3 | 9.666,5 | 10.052,5 | 7.358,6 | 751.318,9 | 799.014,3 | 677.652,0 |
| **Total GHG emissions (tCO2eq)** | **821.090,8** | **13.932,9** | **14.280,4** | **11.890,1** | **861.194,2** | **923.502,3** | **805.033,2** |
| **GHG emissions intensity (Scope 1+Scope 2/Sales) (tCO2eq/EUR m)** | **43,4** | **25,8** | **11,7** | **242,3** | **39,5** | **44,0** | **43,0** |
| Reduction of GHG emissions | There was a 6.7% reduction in total emissions (Scope 1+Scope 2+Scope 3) compared to 2020. In 2019, the entire US market was not included, making any comparison with the trend in emissions for that year unreliable. | | | | | | |

*** Scope 3 figure for 2020 restated.

| 13 $NO_x$, $SOx_x$ and other significant air emissions by type and weight | 2021 | 2020 | 2019 |
|---|---|---|---|
| | Total | Total | Total |
| $NO_x$ emissions (t) | 125,8 | 148,5 | 149,9 |
| $SO_x$ emissions (t) | 151,2 | 183,4 | 180,5 |
| CO emissions (t) | 49,5 | 58,7 | 59,1 |
| COV emissions (t) | 11,6 | 13,8 | 13,8 |
| PM10 particulate matter emissions (t) | 23,2 | 28,1 | 27,7 |

# Appendix 3: Taxonomy

## Introduction

Regulation (EU) 2020/852 on the EU Taxonomy, published on 22 June 2020 by the European Parliament and the Council under the framework of the European Green Pact, seeks to contribute to the process of creating a decarbonised, fairer and job-creating economy in an equitable way, by defining those economic activities that qualify as environmentally sustainable.

According to Article 8 of the Regulation, companies subject to Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (NFRD – Non-Financial Reporting Directive) must disclose how and to what extent their activities are associated with sustainable economic activities, as defined in that Regulation.

Pursuant to Commission Delegated Regulation 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852, specifically Article 8, by specifying the content and presentation of information to be disclosed by undertakings subject to the NFRD concerning sustainable economic activities, in this first year the Company must disclose the percentage of Net Turnover (Turnover), Capital Expenditure (CapEx) and Operating Expenditure (OpEx) represented by activities that are eligible according to the climate change mitigation and adaptation objectives set out in Commission Delegated Regulation 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (Climate Delegated Act).

## Assessment of compliance with Regulation (EU) 2020/852

OHLA is a global infrastructure group with more than a century of history under its belt. Positioned in three major geographies — Europe, Latin America and the United States — it seeks to generate value and support the prosperity of the communities in which it operates. In all of them, it undertakes infrastructure projects with the aim of promoting the growth and well-being of society, with a firm commitment to innovation and sustainability as progress enablers. The organisation is predominantly active in the construction, industrial and service sectors.

As it falls under the scope of the NFRD, the OHLA Group is obliged in this first year of its application to report on the extent to which its economic activities are Taxonomy-eligible for climate change mitigation and adaptation objectives. Commission Delegated Regulation 2021/2139, adopted on 4 June 2021, specifies the economic activities and the criteria they must meet in order to contribute to the first two environmental objectives, namely climate change mitigation (Annex I) and climate change adaptation (Annex II). As at the date of this report, no further regulations have been passed establishing the economic activities and the criteria to be met by those activities for the purpose of contributing to the four remaining environmental objectives: sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity. Therefore, the OHLA Group's EU Taxonomy report for 2021 is based on the analysis of the first two environmental objectives: climate change mitigation and climate change adaptation.

The disclosure requirements for entities subject to the NFRD in 2022 in relation to their performance in 2021 relate to the eligibility of the economic activities undertaken. Eligible activities are those that fall within the regulatory perimeter of the Regulation and have the potential to contribute to the defined environmental objectives, provided that they meet the technical screening criteria set out in the regulation, through the alignment analysis that will be required of companies in the coming years, following a progressive timetable for implementation of the regulation. Therefore, for these purposes, eligibility is not an indicator of the environmental performance or sustainability of an activity. The following section describes the findings of the analysis carried out for the three performance indicators (Turnover, CapEx and OpEx), as well as the main Taxonomy-eligible economic activities carried out by the OHLA Group.

## Analysis applied

The activities carried out by the Group have been analysed to determine the eligibility of each of them, based on the consolidated scope of the OHLA Group and the financial results obtained in 2021.

The analysis was carried out by mapping the minimum management unit of the Group's companies, i.e. at work/project or service level, in order to determine the correlation of those management units with activities that qualify as Taxonomy-eligible. While certain activities have been identified that could potentially contribute to the climate change adaptation objective, OHLA has focused its analysis on the climate change mitigation objective.

To avoid double counting where projects could be associated with more than one sustainable economic activity, the one with the strongest link to the main activity in each case has been selected. Meanwhile, certain OHLA activities have been identified as non-eligible, either because they do not have a significant impact on climate change mitigation or adaptation, or because they are awaiting integration into the EU Taxonomy Regulation, or because they have a significant impact on climate change.

To calculate each of the performance indicators provided for in the Regulation, we have relied on the following accounting considerations:

- **Turnover:** the proportion of turnover referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 was calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the total net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU.
- **CapEx:** the proportion of CapEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 includes additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The calculation also covers additions to tangible and intangible assets resulting from business combinations.
- **OpEx:** the proportion of OpEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 restricts calculation of this indicator (KPI) to direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. In addition to these items, leasing costs should be included by non-financial undertakings that apply national generally accepted accounting principles and do not capitalise right-of-use assets.

When calculating OpEx, the direct costs provided for in the Regulation have not been included as part of the disclosure because they are not considered material for OHLA's business when compared to the total operating costs for the year (EUR 58,900.4 thousand in 2021 compared to EUR 2,813,029.0 thousand in 2021; 2.1% of the total OpEx to be considered). Furthermore, the level of breakdown required for this information is not currently available in the Group's information systems, thus making it much harder to provide a reliable calculation for the indicator. Therefore, following the recommendations of the European Commission, the proportion of Taxonomy-eligible and non-eligible activities has been calculated using the financial KPIs of Turnover and CapEx.

## Main considerations

The main considerations taken into account when analysing Taxonomy activities associated with the sites/projects and services subject to analysis are as follows.

With respect to the data used to calculate each of the key performance indicators, no extrapolations or approximations have been made to them since the data taken as a basis for the analysis are the consolidated financial data of the OHLA Group as at 31 December 2021.

Activities related to infrastructure enabling low-carbon transport, as defined in Annex I of the Climate Delegated Act of the Taxonomy as construction and operation of infrastructure enabling low-carbon road and public transport (6.15), low-carbon inland waterway transport (6.16), and low-carbon airport infrastructure (6.17) have been considered eligible due to their potential to contribute to climate change mitigation by enabling zero-emission transport along these routes. Likewise, and given that current regulations require the disclosure of key performance indicators in relation to "eligible" activities, these activities are considered to be included in the description of the Annex I activities mentioned above, whether or not they meet the technical screening criteria defined for each activity.

For Taxonomy activity 5.5 — Collection and transport of non-hazardous waste in source segregated fractions, only projects that comply with the strict description of the activity have been considered, which considers "the separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling", thus excluding from the scope of this category the various facility cleaning services carried out by the Services division of the OHLA Group, and including a single project related to the collection of waste in the terms set out in the regulation.

## Calculations and result for each key performance indicator

### Turnover

**Numerator**

Taxonomy-eligible turnover is calculated on the basis of the net turnover associated with the economic activities carried out by the OHLA Group. This association is based on an analysis of the OHLA Group's total turnover, broken down by type of project and service contract associated with the activities listed in Annex I of the Climate Delegated Act and carried out by the Group in 2021.

**Denominator**

The denominator of the turnover indicator considers the total volume of the OHLA Group's net turnover, as set out in Note 3.23 of the consolidated financial statements.

| Taxonomy-eligible economic activities | Climate change mitigation |
|---|---|
| | Turnover |
| 4.1 Electricity generation using solar photovoltaic technology | 3,45% |
| 4.3 Electricity generation from wind power | 0,01% |
| 5.1 Construction, extension and operation of water collection, treatment and supply systems | 2,63% |
| 5.2 Renewal of water collection, treatment and supply systems | 0,88% |
| 5.3 Construction, extension and operation of wastewater collection and treatment | 1,55% |
| 5.4 Renewal of wastewater collection and treatment | 0,31% |
| 5.5 Collection and transport of non-hazardous waste in source segregated fractions | 0,06% |
| 6.14 Infrastructure for rail transport | 18,78% |
| 6.15 Infrastructure enabling low-carbon road transport and public transport | 40,67% |
| 6.16 Infrastructure enabling low carbon water transport | 1,56% |
| 6.17 Low carbon airport infrastructure | 0,81% |
| 7.1 Construction of new buildings | 10,14% |
| 7.2 Renovation of existing buildings | 2,11% |
| 9.3 Professional services related to energy performance of buildings | 2,24% |
| **Taxonomy-eligible economic activities** | **85,19%** |
| **Taxonomy non-eligible economic activities** | **14,81%** |
| **Total (A + B)** | **100%** |

### CapEx

**Numerator**

The Taxonomy-eligible CapEx ratio is obtained by associating the percentage by weight of the OHLA Group's turnover accounted for by each analysed minimum management unit identified as Taxonomy-eligible with the total capital expenditure for each company analysed. This percentage will serve as a multiplying factor to determine the CapEx associated with minimum management units that qualify as Taxonomy-eligible activities.

**Denominator**

The denominator of the CapEx indicator covers additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for 2021 at the OHLA Group, excluding fair value changes. The denominator also covers additions to tangible and intangible assets resulting from business combinations.

| Taxonomy-eligible economic activities | Climate change mitigation |
|---|---|
| | CapEx |
| 4.1 Electricity generation using solar photovoltaic technology | 0,10% |
| 4.3 Electricity generation from wind power | 0,00% |
| 5.1 Construction, extension and operation of water collection, treatment and supply systems | 1,17% |
| 5.2 Renewal of water collection, treatment and supply systems | 1,62% |
| 5.3 Construction, extension and operation of wastewater collection and treatment | 0,94% |
| 5.4 Renewal of wastewater collection and treatment | 0,06% |
| 5.5 Collection and transport of non-hazardous waste in source segregated fractions | 0,02% |
| 6.14 Infrastructure for rail transport | 17,56% |
| 6.15 Infrastructure enabling low-carbon road transport and public transport | 33,44% |
| 6.16 Infrastructure enabling low carbon water transport | 1,40% |
| 6.17 Low carbon airport infrastructure | 0,32% |
| 7.1 Construction of new buildings | 7,38% |
| 7.2 Renovation of existing buildings | 5,26% |
| 9.3 Professional services related to energy performance of buildings | 0,55% |
| **Taxonomy-eligible economic activities** | **69,83%** |
| **Taxonomy non-eligible economic activities** | **30,17%** |
| **Total (A + B)** | **100%** |

The information contained in this report considers the methodology and results obtained by the OHLA Group in the first analysis carried out in accordance with Sustainable Finance Taxonomy Regulation 2020/852. However, further implementing guidelines, sectoral interpretations and views and the publication of the four remaining environmental objectives could lead to modifications or restatements of the information obtained from this analysis.

If necessary, the OHLA Group would review and update the information disclosed for 2021 in order to adjust it to the relevant environment. Essentially, this first reporting year should be viewed as a transitional exercise that will ready the Group to disclose further information on the eligibility and alignment of its activities for financial year 2022.

# Appendix 4: List of material topics

| |
|---|
| ***Responsible management*** |
| Good governance, ethics and compliance |
| Financial and non-financial risk management |
| Transparency of information |
| ***Sustainable business*** |
| Efficiency in the consumption of raw materials: use of environmentally friendly building materials |
| Efficient energy management: commitment to energy efficiency |
| Promoting the use of renewable energies |
| Reducing greenhouse gas emissions and initiatives to combat climate change |
| Efficient water use |
| Protection of biodiversity |
| Circular economy |
| Sustainable and smart mobility |
| Range of sustainable solutions |
| ***Social progress*** |
| Diversity and equal opportunities |
| Attracting and retaining talent |
| Training, education and promoting the employability of the workforce |
| Occupational health and safety |
| Sense of belonging and job stability – Employer Branding |
| Work-life balance and digital disconnect measures |
| Management of community relations and dialogue |
| Promoting global social action and volunteering projects |
| Social impact of OHLA's actions |
| Respect for and compliance with human rights |
| Human rights impact assessment of OHLA operations |
| Supply chain monitoring and assessment |
| Responsible supply chain management |
| Supplier due diligence processes in relation to sustainability aspects |
| Responsibility towards customers |

# Non-financial statement (NFS)



La Esfinge secondary breakwater in port of Las Palmas.

# Non-financial statement (NFS)

## NFS tables

| Provisions of Law 11/2018 on non-financial information | | | Standard used | Page Report / Answer |
|---|---|---|---|---|
| BUSINESS MODEL | Description of the Group's business model | A brief description of the group's business model, which shall include the business environment, organisation and structure, the markets where the group operates, its objectives and strategies, and the main factors and trends that may affect its performance. | GRI 102-2, 102-4, 102-6, 102-7, 102-15 | 17-69, 72-74, 81-87, 104-107, 118-120, 141-146 |
| INFORMATION ON ENVIRONMENTAL MATTERS | Policies | Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been adopted | GRI 103-2, 103-3 | 132<br>Quality, Health and Safety, Energy and Environment Policy |
| | Main risks | The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and<br>* how the Group manages those risks,<br>* explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short-, medium- and long-term risks. | GRI 102-11, 102-15, 102-30, 201-2 | 81-87, 110-112<br>143-146<br>IAGC, E.3 |
| | General disclosures | Current and foreseeable impacts of the undertaking's activities on the environment and, as appropriate, on health and safety | GRI 102-15, 102-29, 102-31 | 104-107, 143-146 |
| | | Environmental assessment or certification procedures | GRI 102-11, 102-29, 102-30 | 110-119, 132 |
| | | Resources dedicated to the prevention of environmental risks | GRI 102-29 | 81-83, 110-119, 132, 143-146 |
| | | Application of the precautionary principle | GRI 102-11 | 81-83, 110-119 |
| | | Provisions and guarantees for environmental risks | GRI 307-1 | At 31 December 2021, the company did not have any environmental assets on its statement of financial position. |



| Provisions of Law 11/2018 on non-financial information | | | Standard used | Page Report / Answer |
|---|---|---|---|---|
| INFORMATION ON ENVIRONMENTAL MATTERS | Pollution | Measures to prevent, reduce or repair carbon emissions that seriously affect the environment; taking into account any type of air pollution specific to an activity, including noise and light pollution | GRI 103-2, 302-4, 305-5, 305-7 | 110-119, 158-163<br>With regard to noise pollution, OHLA's work teams follow various good practices when carrying out their projects in order to reduce the intensity of the noise generated during the execution phases and, therefore, the resulting noise pollution.<br>Light pollution is considered non-material. |
| | Circular economy and waste prevention and management | Waste prevention, recycling, reuse, and other forms of recovery and disposal of waste. Actions to combat food waste | GRI 103-2, 301-1, 301-2, 303-3, 306-1, 306-2 | 113-114, 158-163 |
| | Sustainable use of resources | Water consumption and water supply in accordance with local limits | GRI 102-15, 102-29, 102-31 | 115-116, 158-163 |
| | | Consumption of raw materials and measures taken to make more efficient use of them | GRI 103-2, 301-1, 301-2 | 115-116, 159 |
| | | Energy: Direct and indirect energy consumption; Measures taken to improve energy efficiency; and Use of renewable energies | GRI 103-2, 302-1, 302-3, 302-4 | 113-114, 158 |
| | Climate change | Greenhouse gas emissions | GRI 305-1, 305-2, 305,3, 305-4 | 110-112, 162-163 |
| | | Measures taken to adapt to the consequences of climate change | GRI 102-15, 103-2, 305-5 | 86, 110-112, 116-117 |
| | | Voluntary medium- and long-term targets in place to reduce GHG emissions and the resources implemented to that end. | GRI 103-2 | 104-107 |
| | Protection of biodiversity | Measures in place to preserve or restore biodiversity | GRI 103-2 | 115-116, 160 |
| | | Impacts caused by activities or operations in protected areas | GRI 304-1 | 115-116, 160 |
| DISCLOSURES ON SOCIAL AND EMPLOYEE-RELATED MATTERS | Policies | Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been adopted. | GRI 103-2, 103-3, 102-35 | 78-81, 118-134<br>Annual Report on Director Remuneration.<br>Financial statements: 4.8.<br>Code of Ethics<br>HR policy |

| Provisions of Law 11/2018 on non-financial information | | | Standard used | Page Report / Answer |
|---|---|---|---|---|
| DISCLOSURES ON SOCIAL AND EMPLOYEE-RELATED MATTERS | Main risks | The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and<br>* how the Group manages those risks,<br>* explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short-, medium- and long-term risks. | GRI 102-15, 102-30 | 78-81, 81-87, 118-120, 143-146<br>IAGC E.3 |
| | Employees | Total number and breakdown of employees by gender, age, country and occupational classification | GRI 102-7, 102-8, 405-1 b) | 120-121, 150-151 |
| | | Total number and distribution of types of employment contract | GRI 102-8 | 120-121, 150-151 |
| | | Average annual number of permanent, temporary and part-time contracts by gender, age and job category | GRI 102-8 | 120-121, 150-151 |
| | | Number and breakdown of dismissals by gender, age, and job category | GRI 401-1 b) | 152-154 |
| | | Average pay and trend broken down by gender, age, job category or equivalent metric | GRI 405-2 | 123-124, 153-155 |
| | | Pay gap | GRI 405-2 | 123-126, 153-154 |
| | | Remuneration per equivalent job or average at the company | GRI 202-1 | 153-155<br>Annual Report on Director Remuneration<br>Financial statements, Note 4.8 |
| | | Average remuneration of directors and managers, including variable remuneration, per diem allowances, severance pay, long-term retirement plans and any other amounts received, broken down by gender | GRI 102-35, 102-36 | 154-155<br>Annual Report on Director Remuneration<br>Financial statements, Note 4.8 |
| | | Implementation of policies on disconnecting from work | GRI 103-2 | 127 |
| | | Employees with disabilities | GRI 405-1 b) | 120 |
| | Work organisation | Organisation of working hours | GRI 102-8 c), 103-2 | 124-126 |
| | | Number of hours of absenteeism | GRI 403-2 a) | 152 |
| | | Measures aimed a facilitating work-like balance and encouraging the equal enjoyment by both parents. | GRI 103-2, 401-3 | 127 |

| Provisions of Law 11/2018 on non-financial information | | | Standard used | Page Report / Answer |
|---|---|---|---|---|
| | Health and safety | Health and safety conditions in the workplace | GRI 103-2 | 129-132 |
| | | Workplace accidents (frequency and severity), broken down by gender | GRI 403-2, 403-3 | 130-131 |
| | | Occupational diseases (frequency and severity), broken down by gender | GRI 403-2, 403-3 | 130 |
| | Employment relations | Organisation of dialogue between the company and employees, including procedures for informing, consulting and negotiating with employees | GRI 102-43, 402-1, 403-1 | 124-125 |
| | | Percentage of employees covered by collective bargaining agreements, by country | GRI 102-41 | 157 |
| | | Description of collective bargaining agreements, particularly in the field of occupational health and safety | GRI 403-1, 403-4 | 129-132, 157 |
| | Training | Policies in place in relation to training. | GRI 103-2 | 122-123 |
| | | Total number of training hours by job category | GRI 404-1 | 122-123, 155-157 |
| | Accessibility | Universal accessibility for people with disabilities | GRI 103-2 | 27, 116-117, 120 |
| | Equal opportunities | Measures taken to foster equal treatment and opportunities for men and women | GRI 103-2 | 61-62, 125-126 |
| | | Equality plans | GRI 103-2 | 61-62, 125-126 |
| | | Measures taken to promote employment | GRI 103-2 | 121-123 |
| | | Protocols against sexual and gender-based harassment | GRI 103-2 | 78, 81-83, 184 |
| | | Integration of and accessibility for persons with disabilities | GRI 103-2 | 27, 116-117, 120 |
| | | Anti-discrimination policy and, where applicable, diversity management policy | GRI 103-2, 406-1 | 78, 125-126<br>OHLA Group Code of Ethics |
| INFORMATION ON THE RESPECT FOR HUMAN RIGHTS | Policies | Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been adopted. | GRI 103-2, 103-3, 410-1, 412-2 | 128 |
| | Main risks | The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and<br>* how the Group manages those risks,<br>* explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short-, medium- and long-term risks. | GRI 102-15, 102-30 | 87, 146 |

| Provisions of Law 11/2018 on non-financial information | | | Standard used | Page Report / Answer |
|---|---|---|---|---|
| INFORMATION ON THE RESPECT FOR HUMAN RIGHTS | Human rights | Human rights due diligence procedures | GRI 103-2 | 128 |
| | | Measures to prevent the risk of human rights abuses and, where appropriate, measures to mitigate, manage and redress any abuses committed | GRI 103-2, 412-1 | 87, 128 Group Human Rights Policy |
| | | Reports of human rights abuses | GRI 102-17, 103-2, 411-1, 419-1 | 81-83 |
| | | Promotion of and compliance with the provisions contained in the ILO's fundamental conventions on the freedom of association, the right to collective bargaining, the elimination of workplace discrimination and of all forms of forced or compulsory labor and the abolition of child labor | GRI 103-2 | 78-79, 128 |
| INFORMATION ON ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS | Policies | Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been adopted. | GRI 103-2, 103-3, 205-2 | 78-81 Code of Ethics, Anti-corruption Policy and Crime Prevention Policy |
| | Main risks | The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and * how the Group manages those risks, * explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short-, medium- and long-term risks. | GRI 102-15, 102-30, 205-1 | 81-87 |
| | Corruption and bribery | Measures taken to prevent corruption and bribery | GRI 103-2 | 78-81 |
| | | Measures to combat money laundering | GRI 103-2 | 78-81 |
| | | Contributions to foundations and non-profit organisations | GRI 103-2, 201-1, 203-2, 415-1 | 183 The Code of Ethics The Code of Ethics prohibits giving gifts, invitations or hospitality to authorities, public officials or private individuals that exceed the criteria set out in the Anti-corruption Policy |



| Provisions of Law 11/2018 on non-financial information | | | Standard used | Page Report / Answer |
|---|---|---|---|---|
| INFORMATION ABOUT THE COMPANY | Policies | Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been adopted. | GRI 103-2, 103-3 | 78, 134-135 OHLA Group Sustainability Policy OHLA Group Responsible Procurement Policy Tax policy |
| | Main risks | The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and * how the Group manages those risks, * explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short-, medium- and long-term risks | GRI 102-15, 102-30 | 83-87, 134-135, 143-146 |
| | Commitment of the Company to sustainable development | Impact of the undertaking's activities on society in terms of employment and local development | GRI 203-1, 203-2, 204-1, 413-1 | 132-135, 143-146, 150-153 |
| | | Impact of the undertaking's activities on society in terms of local communities and territories | GRI 203-1, 203-2, 413-1 | 132-135, 143-146, 150-153 |
| | | Relations maintained with local community agents and forms of dialogue with those agents | GRI 102-43, 413-1 | 70-71 |
| | | Association or sponsorship actions | GRI 102-13, 201-1, 203-1 | 11, 68, 132-134 |
| | Outsourcing and suppliers | Making social, gender equality and environmental concerns part of the procurement policy | GRI 103-3 | 132 |
| | | Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors | GRI 102-9, 103-3 | 132 |
| | | Supervision and audit systems and their outcomes. | GRI 308-1 | 132 |
| | Consumers | Consumer health and safety measures | GRI 103-2, 416-1 | 116-117, 132 |
| | | Whistle-blowing mechanisms, concerns reported and their resolution | GRI 102-17, 103-2 | 132 |
| | Tax information | Profit or loss by country | GRI 201-1 | 100-101 CCAA Financial statements – Note |
| | | Income tax paid | GRI 201-1 | 100-101 CCAA Financial statements – Note |
| | | Government subsidies received | GRI 201-4 | 101, 122 |

# GRI tables

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| **GRI 101 Foundation** | |
| 101 Reporting Principles | 141 |
| **GRI 102 General disclosures**<br>**Organizational profile** | |
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| 102-2 Activities, brands, products and services | 12-17 |
| 102-3 Location of headquarters | 147 |
| 102-4 Location of operations | 16-17 |
| 102-5 Ownership and legal form | 140-CCAA |
| 102-6 Markets served | 16-17,24-65 |
| 102-7 Scale of the organization | 16-17, 24-65, 150-151 |
| 102-8 Information on employees and other workers | 120-121, 150-151 |
| 102-9 Supply chain | 132-134 |
| 102-10 Significant changes to the organization and its supply chain | 16-24, 132-134, 140 |
| 102-11 Precautionary principle or approach | 81-83, 140 |
| 102-12 External initiatives | 11, 68, 134-136 |
| 102-13 Membership of associations | In 2021, OHLA collaborated with the following associations: AETOS, Sdad. Española de Mecánica del Suelo e Ingeniería Geotécnica, SEMR, AECOM, APECCO, Adquira, ACHILLES, Cambra Oficial de Contractistes D'Obres de Catalunya, SEOPAN, PTEC, Spanish Chapter de la asociación, Building SMART, Asociación de Emisores Españoles, Conocimiento y Creatividad S.L.N.E., FORETICA, SEPREM, Instituto de Auditores Internos, Pacto Mundial Red Española, CEOE |
| **Strategy** | |
| 102-14 Statement from senior decision-maker | 6-7 |
| 102-15 Key impacts, risks, and opportunities | 84-87, 143-146<br>IAGC, E.3 |
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| 102-16 Values, principles, standards, and norms of behavior | 78-80 |
| 102-17 Mechanisms for advice and concerns about ethics | 80-81 |

| GENERAL DISCLOSURES | Page Report / Answer |
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| **Governance** | |
| 102-18 Governance structure | 75-77<br>Regulations of the Board of Directors |
| 102-19 Delegating authority | 75-77, 122 Regulations of the Board of Directors – Mission of the Board, OHLA Group Sustainability Policy |
| 102-22 Composition of the highest governance body and its committees | 75-77 IAGC C.1.2 y C.1.14 |
| 102-23 Chair of the highest governance body | 75 |
| 102-24 Nominating and selecting the highest governance body | 75-77 |
| 102-28 Evaluating the highest governance body's performance | IAGC C.1.15 |
| 102-29 Identifying and managing economic, environmental, and social impacts | 75-77, 81-87, 143-146<br>ACGR, sections C.1.17 and C.1.18<br>Sustainability Policy<br>Risk management policy |
| 102-30 Effectiveness of risk management processes | 75-76 |
| 102-31 Review of economic, environmental, and social topics | 68, 75-77<br>Sustainability Policy |
| 102-32 Highest governance body's role in sustainability reporting | 68, 75-77<br>Sustainability Policy |
| 102-35 Remuneration policies | 154-155<br>Note 4.8 to the financial statements – Remuneration of directors and senior executives and conflicts of interest<br>Annual Report on Director Remuneration<br>Regulations of the Board of Directors of Obrascón Huarte Lain, S.A., Chapter VIII. Director remuneration<br>Remuneration policy |
| 102-36 Process for determining remuneration | Annual report on director remuneration<br>Note 4.8 to the financial statements – Remuneration of directors and senior executives and conflicts of interest<br>Regulations of the Board of Directors of Obrascón Huarte Lain, S.A., Chapter VIII. Director remuneration<br>Remuneration policy |
| **Stakeholder engagement** | |
| 102-40 List of stakeholder groups | 70 |
| 102-41 Collective bargaining agreements | 157 |
| 102-42 Identifying and selecting stakeholders | 68-71, 140-142 |
| 102-43 Approach to stakeholder engagement | 68-71, 140-142 |
| 102-44 Key topics and concerns raised | 68-71, 140-142, 168 |

| GENERAL DISCLOSURES | Page Report / Answer |
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| **Reporting practice** | |
| 102-45 Entities included in the consolidated financial statements | 140 CCAA, anexos 1 y 2 |
| 102-46 Defining report content and topic Boundaries | 140-146 |
| 102-47 List of material topics | 140-142, 168 |
| 102-48 Restatements of information | Those data that have been restated have been identified and commented on in the report |
| 102-49 Changes in reporting | 140 |
| 102-50 Reporting period | Ejercicio 2021 |
| 102-51 Date of most recent report | Ejercicio 2020 |
| 102-52 Reporting cycle | Periodicidad anual |
| 102-53 Contact point for questions regarding the report | 147 |
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| **GRI 103 Management approach: Linked to Economic performance (201), Market presence (202), Indirect economic impacts (203), Procurement practices (204), Anti-corruption (205) and Anti-competitive behavior (206)** | |
| 103-1 Explanation of the material topic and its boundary | 140-142 |
| 103-2 The management approach and its components | 16-17, 68-69, 72, 78-80, 134-135 |
| 103-3 Evaluation of the management approach | 75-77 |
| **GRI 201 Economic performance** | |
| 201-1 Direct economic value generated and distributed | 134 |
| 201-2 Financial implications and other risks and opportunities due to climate change | 86, 110-112, 143-146 |
| 201-4 Financial assistance received from government | 101,122 |

| GENERAL DISCLOSURES | Page Report / Answer |
|---|---|
| **GRI 202 Market presence** | |
| 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | OHLA employees who are under the collective agreement receive the wages set out in the collective agreement or in some cases exceed those wages, so for similar positions they have the same or a higher remuneration package than the one established in the collective agreement |
| 202-2 Proportion of senior management hired from the local community | 92.2% of OHLA's managers abroad are natives of the same country |
| **GRI 203 Indirect economic impacts** | |
| 203-1 Infrastructure investments and services supported | 134-137 |
| 203-2 Significant indirect economic impacts | 134-137, 150-153 |
| **GRI 204 Procurement practices** | |
| 204-1 Proportion of spending on local suppliers | 133 |
| **GRI 205 Anti-corruption** | |
| 205-1 Operations assessed for risks related to corruption | 81-83 |
| 205-2 Communication and training about anti-corruption policies and procedures | 79, 156<br>ACGR<br>OHLA Group Anti-corruption Policy |
| 205-3 Confirmed incidents of corruption and actions taken | 80-81<br>ACGR |
| **GRI 206 Anti-competitive behavior** | |
| 206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | The CNMC has initiated proceedings against OHLA in Spain, while INDECOPI has initiated proceedings in Peru, in both cases for alleged anti-competitive practices.<br>For more information: Financial statements, Note 4.6.2.2 |
| **GRI 207 Tax** | |
| 207-1 Approach to tax | 100-101 |
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| 207-3 Stakeholder engagement and management of concerns related to tax | 100-101, 140-142 |
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| **GRI 103 Management approach: Linked to: Materials (301), Energy (302), Water (303), Biodiversity (304), Emissions (305), Effluents and waste (306), Environmental compliance (307), Supplier environmental assessment (308)** | |
| 103-1 Explanation of the material topic and its boundary | 141-146 |
| 103-2 The management approach and its components | 17, 68-69, 72, 78-80, 134-135 |
| 103-3 Evaluation of the management approach | 75-76 |
| **GRI 301 Materials** | |
| 301-1 Materials used by weight or volume | 113-114, 159 |
| 301-2 Recycled input materials used | 113-114, 159 |
| **GRI 302 Energy** | |
| 302-1 Energy consumption within the organization | 111, 162-163 |
| 302-3 Energy intensity | 162-163 |
| 302-4 Reduction of energy consumption | 111, 162-163 |
| **GRI 303 Water and effluents 2018** | |
| 303-1 Interactions with water as a shared resource | 113-115, 158-159 |
| 303-3 Water withdrawal | 113-115, 158-159 |
| **GRI 304 Biodiversity** | |
| 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 115-116, 160 |
| **GRI 305 Emissions** | |
| 305-1 Direct (Scope 1) GHG emissions | 111, 162-163 |
| 305-2 Indirect (Scope 2) GHG emissions | 111, 162-163 |
| 305-3 Other indirect (Scope 3) GHG emissions | 111, 162-163 |
| 305-4 GHG emissions intensity | 162-163 |
| 305-5 Reduction of GHG emissions | 111, 162-163 |
| 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | 162-163 |



| GENERAL DISCLOSURES | Page Report / Answer |
|---|---|
| **GRI 306: Waste 2020** | |
| 306-1 Waste generation and significant waste-related impacts | 113-114, 160-161 |
| 306-3 Waste generated | 160-161 |
| 306-4 Waste not destined for disposal | 160-161 |
| 306-5 Waste destined for disposal | 160-161 |
| **GRI 307 Environmental compliance** | |
| GRI 307-1 Non-compliance with environmental laws and regulations | 161<br>A total of EUR 28,541.40 was paid in environmental fines in 2021. |
| **GRI 308 Supplier environmental assessment** | |
| 308-1 New suppliers that were screened using environmental criteria | 132-134 |
| **GRI 103 Management approach: Linked to: Employment (401), Labor/Management Relations (402), Occupational health and safety (403), Training and education (404), Diversity and equal opportunity (405), Non-discrimination (406), Freedom of association and collective bargaining (407), Forced or compulsory labor (409), Safety practices (410), Human rights assessment (412), Local communities (413), Supplier social assessment (414), Public policy (415), Customer health and safety (416), Marketing and labeling (417), Customer privacy (418), Socioeconomic compliance (419)** | |
| 103-1 Explanation of the material topic and its boundary | 141-146, 168 |
| 103-2 The management approach and its components | 17, 68-69, 118 |
| 103-3 Evaluation of the management approach | 75-77 |
| **GRI 401 Employment** | |
| 401-1 New employees hires and employee turnover | 121, 150-153 |
| 401-3 Parental leave | 153 |
| **GRI 402 Labor/management relations** | |
| 402-1 Minimum notice periods regarding operational changes | There is no minimum notice period at OHLA. In any case, operational changes are always carried out in accordance with the law and regulations of each country. |

| GENERAL DISCLOSURES | Page Report / Answer |
|---|---|
| **GRI 403 Occupational health and safety 2018** | |
| 403-1 Occupational health and safety management system | 129-132 |
| CRE-6 Porcentaje de las operaciones de la organización verificadas según un sistema de gestión de seguridad y salud internacionalmente reconocido | 129-132 |
| 403-2 Hazard identification, risk assessment, and incident investigation | 130<br>There were no fatal accidents among OHLA employees in 2021 |
| 403-3 Occupational health services | 129-132 |
| 403-4 Worker participation, consultation, and communication on occupational health and safety | 129-132 |
| 403-5 Worker training on occupational health and safety | 129, 156-157 |
| 403-6 Promotion of worker health | 130-132 |
| 403-8 Workers covered by an occupational health and safety management system | 130-132 All OHLA employees are represented on the health and safety committees |
| **GRI 404 Training and education** | |
| 404-1 Average hours of training per year per employee | 122-123, 156-157 |
| **GRI 405 Diversity and equal opportunities** | |
| 405-1 Diversity of governance bodies and employees | 75-78, 125-126, 150-151<br>IAGC |
| 405-2 Ratio of basic salary and remuneration of women to men | 123-124, 153 |
| **GRI 406 Non-discrimination** | |
| 406-1 Incidents of discrimination and corrective actions taken | 80-81<br>OHLA expresses its absolute rejection and zero tolerance of any behaviour or action that might constitute any form of sexual, moral or gender-based harassment, and undertakes to collaborate actively, effectively and firmly to prevent, detect, correct and punish any such conduct.<br>OHLA has a procedure in place to prevent or take action against sexual and/or gender-based harassment, which is governed by the principles of speed, confidentiality, transparency, objectivity, impartiality and respect for the privacy and dignity of employees. It also has a guide offering assistance and protection for victims of gender-based violence.<br>ACGR |
| **GRI 407 Respect for the freedom of association and collective bargaining** | |
| 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | 73, 78, 80-83, 125, 132-134 |
| **GRI 408 Child labor** | |
| 408-1 Operations and suppliers at significant risk for incidents of child labor | 73, 78, 80-83, 128 |
| **GRI 409 Forced or compulsory labor** | |

| GENERAL DISCLOSURES | Page Report / Answer |
|---|---|
| 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 73, 78, 80-85, 128 |
| **GRI 410 Security practices** | |
| 410-1 Security personnel trained in human rights policies or procedures | 73, 128<br>Security services are outsourced and information is not available |
| **GRI 411 Rights of indigenous peoples** | |
| 411-1 Incidents of violations involving rights of indigenous peoples | 128<br>OHLA did not identify any violations of indigenous peoples' rights in 2021 |
| **GRI 412 Human rights assessment** | |
| 412-1 Operations that have been subject to human rights reviews or impact assessments | 128 |
| 412-2 Employee training on human rights policies or procedures | 128, 156-157 |
| 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | 132-134 |
| **GRI 413 Local communities** | |
| 413-1 Operations with local community engagement, impact assessments, and development programs | 134-137 |
| **GRI 414 Supplier social assessment** | |
| 414-1 New suppliers that were screened using social criteria | 132-134 |
| **GRI 415 Public policy** | |
| 415-1 Political contributions | The Code of Ethics prohibits donations or contributions to political parties |
| **GRI 416 Customer health and safety** | |
| 416-1 Assessment of the health and safety impacts of product and service categories | 116-117, 120 |
| **GRI 417 Marketing and labeling** | |
| CRE-8 Type and number of sustainability certifications, rating and labeling schemes for new construction, management, occupation and redevelopment | 116-117 |
| **GRI 418 Customer privacy** | |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | No complaints or significant financial penalties have been received in this connection |
| **GRI 419 Socioeconomic compliance** | |
| 419-1 Non-compliance with laws and regulations in the social and economic area | Financial statements |

# SASB tables

| Topic | Description | Code | Location in report |
|---|---|---|---|
| **1. Reporting topics on sustainability and accounting parameters** | | | |
| **ENVIRONMENTAL IMPACTS OF PROJECT DEVELOPMENT** | Number of incidents of non-compliance with environmental permits, standards, and regulations | IF-EN-160a.1 | 183 |
| | Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction | IF-EN-160a.2 | 84-87, 110-117, 143-146 |
| **STRUCTURAL INTEGRITY AND SAFETY** | Amount of defect- and safety-related rework costs | IF-EN-250a.1 | Not available |
| | Total amount of monetary losses as a result of legal proceedings associated with defect- and safety-related incidents | IF-EN-250a.2 | Not available |
| **WORKFORCE HEALTH AND SAFETY** | 1) Total recordable incident rate (TRIR)<br>(2) Fatality rate for (a) direct employees and (b) contract employees | IF-EN-320a.1 | 129-132, 184 |
| **LIFECYCLE IMPACTS OF BUILDINGS AND INFRASTRUCTURE** | Number of (1) commissioned projects certified to a sustainability standard certification and<br>(2) Active projects seeking such certification | IF-EN-410a.1 | 116-117 |
| | Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design | IF-EN-410a.2 | 116-117 |

| Topic | Description | Code | Location in report |
|---|---|---|---|
| **CLIMATE IMPACTS OF BUSINESS MIX** | Amount of backlog for:<br>1) Hydrocarbon related projects and<br>2) Renewable energy projects | IF-EN-410b.1 | 15 |
| | Amount of backlog cancellations associated with hydrocarbon-related projects | IF-EN-410b.2 | No aplica |
| | Amount of backlog for non-energy projects associated with climate change mitigation | IF-EN-410b.3 | 164-167 |
| **BUSINESS ETHICS** | 1) Number of active projects<br>(2) Backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index | IF-EN-510a.1 | OHLA does not carry out projects in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index |
| | Total amount of monetary losses as a result of legal proceedings associated with charges of<br>(1) bribery or corruption<br>(2) anticompetitive practices | IF-EN-510a.2 | Financial statements |
| | Description of policies and practices for prevention of<br>1) Bribery and corruption and<br>(2) anti-competitive behavior in the project bidding processes | IF-EN-510a.3 | 78-80 |
| **2. Activity parameters** | | | |
| Number of active projects | IF-EN-000.A | 12-17 | |
| Number of commissioned projects | IF-EN-000.B | 12-17 | |
| Total backlog | IF-EN-000.C | 12-17 | |

# TCFD tables

| CONTENT | DESCRIPTION | LOCATION IN REPORT |
|---|---|---|
| GOVERNANCE | Describe the board's oversight of climate-related risks and opportunities. | 110-112 |
| | Describe management's role in assessing and managing climate-related risks and opportunities. | 75-77, 110-112 |
| STRATEGY | Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. | 86, 143-146 |
| | Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | 86, 143-146 |
| | Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. | In the coming years, the company will continue to work towards disclosing this information. |
| RISKS | Describe the organization's processes for identifying and assessing climate-related risks. | 81-83, 110-112 |
| | Describe the organization's processes for managing climate-related risks. | 81-83, 110-112 |
| | Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management. | 81-83, 110-112 |
| METRICS | Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. | 158-163 |
| | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. | 143-146, 163 |
| | Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. | 104-107 |

# Verification Report

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

## INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT AND INFORMATION ON SUSTAINABILITY

To the shareholders of Obrascón Huarte Lain S.A:

In accordance with article 49 of the Commercial Code, we have verified, with a limited scope, the Consolidated Non-Financial Statement (hereinafter NFS) for the year ended December 31, 2021 of Obrascón Huarte Lain S.A. and subsidiaries (hereinafter The Group), which is part of the Group's accompanying Consolidated Management Report.

The content of the Consolidated Management Report contains information in addition to that required by prevailing company law in respect of non-financial information that was not included in the scope of our assurance work. Consequently, our work was limited exclusively to verifying the information identified in in the "EINF Tables" and in the "GRI Tables" included in the enclosed Consolidated Management Report.

### Responsibility of the directors

The preparation of the NFS included in the Group's Consolidated Management Report and its content is the responsibility of the directors of Obrascón Huarte Lain S.A. The NFS was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the GRI Sustainability Reporting Standards (GRI standards), in its Core option, as well as those other criteria described in accordance with what is mentioned for each matter in the "EINF Tables" and in the "GRI Tables" of the aforementioned Consolidated Management Report.

This responsibility likewise includes the design, implementation, and maintenance of the internal control considered necessary to ensure that the NFS is free of material misstatement, due to fraud or error.

The directors of Obrascón Huarte Lain S.A are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFS is obtained.

### Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which are based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC 1), and consequently maintains a global quality control system which includes documented policies and procedures relating to



compliance with ethical requirements, professional standards, and the legal and applicable regulatory provisions.

The work team is made up of experts in non-financial information engagements and specifically information on economic, social, and environmental performance.

### Our responsibility

Our responsibility is to express our conclusions on the Independent Assurance Report with limit assurance, based on the work performed. We have carried out our work in accordance with the requirements established in the International Standard on Assurance Engagements (ISAE) 300( (revised), "Assurance Engagements Other than Audits and Review of Historical Financial Inform issued by the International Auditing and Assurance Standards Board (IAASB) of the Internationa Federation of Accountants (IFAC) and the Guidelines on performing non-financial statement assurance engagements issued by Spain's Institute of Auditors.

In a limited assurance engagement, the procedures carried out vary in their nature and timing a are less in extent than those carried out for a reasonable assurance engagement. Consequently level of assurance obtained in a limited assurance engagement is also substantially lower.

Our work consisted in making inquiries of management and of OHLA's various business units participating in the preparation of the NFS, reviewing the processes for compiling and validatin information presented therein, and applying certain analytical procedures and sample review te described in general terms below. These procedures included:

- Holding meetings with OHLA's personnel to gain an understanding of the business mod policies and management approaches applied, and the main risks related to these matt well as to gather the information needed to perform the independent assurance work.
- Analyzing the scope, relevance, and integrity of the contents of the 2021 NFS, based materiality assessment performed by the Group and described under "Materiality ar considering the content required under prevailing company law.
- Analyzing the processes used to compile and validate the data presented in the 2021 N
- Reviewing the disclosures relating to the risks, policies, and management approaches a with respect to the material matters presented in the 2021 NFS.
- Checking, via tests of a selected sample, the information underlying the contents of the NFS and the satisfactory compilation of the NFS based on data taken from information sc
- Obtaining a representation letter from the directors and management.

Building a better working world



**Emphasis of matter paragraph**

The European Parliament and Council Regulation (EU) 2020/852 of 18 June 2020 established a framework to facilitate sustainable investments creating the obligation to disclose information on the manner and extent to which the company's activities are associated with economic activities that are considered environmentally sustainable in relation to the objectives of climate change mitigation and adaptation for the first time for the financial year 2021 as long as the statement of non-financial information is published as of January 1, 2022. Consequently, this information has been incorporated and the Directors of Obrascón Huarte Lain S.A. have chosen to apply the criteria they consider best meet the new obligation and these are defined in Annex 3 "Taxonomy" of the attached EINF. Our conclusion has not been modified in relation to this matter.

**Conclusions**

Based on the procedures performed and the evidence obtained, no additional matter came to our attention that would lead us to believe that the NFS of the Society for the year ended December 31, 2021 has not been prepared, in all material respects, in accordance with the content established in prevailing mercantile regulations and following the criteria of the selected GRI standards (Core option), as well as those other criteria described as mentioned for each subject in the "EINF Tables" and in the "GRI Tables" of the aforementioned Consolidated Management Report.

**Use and distribution**

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

# Consolidated financial statements



La Huella Solar Power Plant. Chile.

# Consolidated financial statements

## Consolidated statement of financial position as at 31 December 2021 and 31 December 2020

EUR thousand

| ASSETS | Note | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| **Intangible assets** | 3.1. | | |
| Intangible assets | | 485.288 | 439.849 |
| Accumulated amortisation | | (328.298) | (283.607) |
| | | **156.990** | **156.242** |
| **Concession infrastructure** | 3.2. | | |
| Intangible asset model | | 678 | 13.712 |
| Financial asset model | | - | 61.417 |
| | | **678** | **75.129** |
| **Property, plant and equipment** | 3.2. | | |
| Land and buildings | | 127.292 | 70.772 |
| Machinery | | 395.442 | 319.706 |
| Other installations, equipment and furniture | | 118.046 | 76.343 |
| Property, plant and equipment under construction and advances | | 9.996 | 2.539 |
| Other property, plant and equipment | | 75.152 | 65.973 |
| Accumulated depreciation and provisions | | (503.029) | (390.636) |
| | | **222.899** | **144.697** |
| **Investment properties** | 3.4. | **4.322** | **4.295** |
| **Goodwill** | 3.5. | **36.998** | **6.398** |
| **Non-current financial assets** | 3.6. | | |
| Investment securities | | 61.340 | 64.176 |
| Other loans | | 142.039 | 243.063 |
| Deposits and guarantees given | | 9.569 | 8.910 |
| Provisions | | (67.896) | (9.250) |
| | | **145.052** | **306.899** |
| **Investments accounted for using the equity method** | 3.7. | **167.221** | **295.106** |
| **Deferred tax assets** | 3.22. | **108.789** | **149.063** |
| **TOTAL NON-CURRENT ASSETS** | | **842.949** | **1.137.829** |

| ACTIVO | Nota | 31/12/2021 | 31/12/2020 |
|---|---|---|---|
| CURRENT ASSETS | | | |
| **Non-current assets held for sale and** | 3.8. | | |
| | | **32.515** | **-** |
| **Inventories** | | | |
| Embodiment items, fungibles and replacement parts for machinery | | 31.904 | 27.604 |
| Auxiliary shop projects and site installations | | 36.559 | 32.113 |
| Advances to suppliers and subcontractors | | 35.197 | 27.542 |
| Provisions | | (3.502) | (1.006) |
| | | **100.158** | **86.253** |
| **Trade and other receivables** | 3.9. | | |
| Trade receivables | | 1.026.578 | 977.631 |
| Receivables from associates | | 112.219 | 134.521 |
| Employee receivables | | 1.160 | 931 |
| Tax receivables | 3.22. | 85.743 | 77.368 |
| Other receivables | | 78.001 | 47.159 |
| Provisions | | (113.259) | (109.114) |
| | | **1.190.442** | **1.128.496** |
| **Current financial assets** | 3.6. | | |
| Investment securities | | 50.989 | 45.135 |
| Other loans | | 150.532 | 14.701 |
| Deposits and guarantees given | | 146.622 | 148.380 |
| Provisions | | (13.362) | (13.311) |
| | | **334.781** | **194.905** |
| **Current income tax assets** | | **6.050** | **7.808** |
| **Other current assets** | 3.10. | **48.025** | **128.731** |
| **Cash and cash equivalents** | 3.11. | **507.455** | **471.014** |
| **TOTAL CURRENT ASSETS** | | **2.219.426** | **2.017.207** |
| **TOTAL ASSETS** | | **3.062.375** | **3.155.036** |

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 2021

| EQUITY AND LIABILITIES | Note | 31/12/21 | 31/12/20 |
|---|---|---|---|
| **EQUITY** | | | |
| **Share capital** | 3.12. | 147.781 | 171.929 |
| **Share premium** | 3.13. | 1.328.128 | 1.265.300 |
| **Treasury shares** | 3.14. | (504) | (406) |
| **Reserves** | 3.15. | (665.640) | (559.063) |
| **Reserves in consolidated companies** | 3.15. | (161.575) | (209.608) |
| **Valuation adjustments** | 3.16. | (29.859) | (53.364) |
| **Consolidated profit/(loss) for the year attributable to equity holders of the parent** | | 5.945 | (151.221) |
| **TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **624.276** | **463.567** |
| **Non-controlling interests** | 3.17. | **(3.927)** | **(3.295)** |
| **TOTAL EQUITY** | | **620.349** | **460.272** |
| **NON-CURRENT LIABILITIES** | | | |
| **Issue of bonds and other marketable securities** | 3.18. | | |
| Issue of corporate notes | | 444.642 | 589.636 |
| | | **444.642** | **589.636** |
| **Bank borrowings** | 3.18. | | |
| Mortgage and other loans | | 43.355 | 1.844 |
| Loans from concession operators | | - | 51.008 |
| | | **43.355** | **52.852** |
| **Other financial liabilities** | 3.19. | **24.937** | **33.802** |
| **Deferred tax liabilities** | 3.22. | **75.260** | **78.773** |
| **Provisions** | 3.20. | **64.024** | **63.710** |
| **Deferred income** | | **261** | **593** |
| **Other non-current liabilities** | 3.21. | **23.364** | **14.094** |
| **TOTAL NON-CURRENT LIABILITIES** | | **675.843** | **833.460** |

| EQUITY AND LIABILITIES | Note | 31/12/21 | 31/12/20 |
|---|---|---|---|
| **CURRENT LIABILITIES** | | | |
| **Liabilities associated with non-current assets held for sale and discontinued operations** | 3.8. | **9** | **-** |
| **Issue of bonds and other marketable securities** | 3.18. | | |
| Issue of corporate notes | | 9.458 | 8.804 |
| | | **9.458** | **8.804** |
| **Bank borrowings** | 3.18. | | |
| Mortgage and other loans | | 26.052 | 97.627 |
| Unmatured accrued interest payable | | 2 | 7 |
| Unmatured accrued interest payable of concession operators | | - | 193 |
| | | **26.054** | **97.827** |
| **Other financial liabilities** | 3.19. | **15.943** | **16.862** |
| **Trade and other payables** | | | |
| Advances received from customers | 3.9. | 424.525 | 417.146 |
| Trade payables | | 816.349 | 830.288 |
| Notes payable | | 53.760 | 56.023 |
| | | **1.294.634** | **1.303.457** |
| **Provisions** | 3.20. | **197.255** | **210.414** |
| **Current income tax liabilities** | | **8.187** | **2.952** |
| **Other current liabilities** | 3.21. | | |
| Loans and borrowings with associates | | 82.252 | 109.025 |
| Salaries payable | | 34.504 | 27.889 |
| Tax receivables | 3.22. | 63.906 | 67.070 |
| Other non-trade payables | | 32.340 | 14.260 |
| Guarantees and deposits received | | 1.429 | 2.543 |
| Other current liabilities | | 212 | 201 |
| | | **214.643** | **220.988** |
| **TOTAL CURRENT LIABILITIES** | | **1.766.183** | **1.861.304** |
| **TOTAL EQUITY AND LIABILITIES** | | **3.062.375** | **3.155.036** |

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 2021.

# Consolidated statement of profit or loss for the year ended 31 December 2021 and 2020

EUR thousand

| | Nota | Ejercicio 2021 | Ejercicio 2020 |
|---|---|---|---|
| Revenue | 3.23. | 2.778.604 | 2.830.727 |
| Other operating income | 3.23. | 125.665 | 51.155 |
| **Total revenue** | | **2.904.269** | **2.881.882** |
| Cost of sales | 3.23. | (1.513.204) | (1.591.062) |
| Staff costs | 3.23. | (814.608) | (755.130) |
| Other operating expenses | 3.23. | (485.217) | (468.175) |
| Amortisation and depreciation | | (77.449) | (74.582) |
| Change in provisions | | 10.753 | (1.470) |
| **OPERATING PROFIT/(LOSS)** | | **24.544** | **(8.537)** |
| Finance income | 3.23. | 116.923 | 17.857 |
| Finance costs | 3.23. | (90.525) | (54.470) |
| Net exchange differences | 3.23. | 2.594 | (1.816) |
| Net gain/(loss) on remeasurement of financial instruments at fair value | 3.23. | (10.768) | (17.940) |
| Share of profit/(loss) of companies accounted for using the equity method | 3.23. | (2.703) | 677 |
| Impairment and gains/(losses) on disposal of financial instruments | 3.23. | 2.319 | (62.892) |
| **PROFIT/(LOSS) BEFORE TAX** | | **42.384** | **(127.121)** |
| Income tax expense | 3.22. | (36.243) | (22.989) |
| **PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS** | | **6.141** | **(150.110)** |
| **CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR** | | **6.141** | **(150.110)** |
| Profit/(loss) from continuing operations attributable to non-controlling interests | 3.17. | (196) | (1.111) |
| **CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT** | | **5.945** | **(151.221)** |
| **Earnings/(loss) per share:** | | | |
| Basic | 1.5. | **0,01** | **(0,53)** |
| Diluted | 1.5. | **0,01** | **(0,53)** |

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 2021

# Consolidated statement of recognised income and expense for the year ended 31 December 2021 and 2020

EUR thousand

| | Ejercicio 2021 | Ejercicio 2020 |
|---|---|---|
| **CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR** | **6.141** | **(150.110)** |
| **INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY** | **13.333** | **(19.127)** |
| Cash flow hedges | 4.141 | (5.519) |
| Translation differences | 8.153 | (10.873) |
| Companies accounted for using the equity method | 2.188 | (4.238) |
| Tax effect | (1.149) | 1.503 |
| **AMOUNTS TRANSFERRED TO PROFIT OR LOSS** | **12.921** | **8.453** |
| Cash flow hedges | 7.986 | 1.329 |
| Companies accounted for using the equity method | 7.154 | 7.482 |
| Tax effect | (2.219) | (358) |
| **TOTAL RECOGNISED INCOME/(EXPENSE)** | **32.395** | **(160.784)** |
| Attributable to equity holders of the parent | 29.450 | (161.886) |
| Attributable to non-controlling interests | 2.945 | 1.102 |

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 2021.

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

EUR thousand

| | 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 adjust-ments | Total equity attributable to equity holders of the parent | Non-controlling interests | Total equity |
| **Closing balance at 31 December 2019** | **171.929** | **641.276** | **(535)** | **(142.960)** | **(42.699)** | **627.011** | **(4.148)** | **622.863** |
| Total recognised income/(expense) | - | - | - | (151.221) | (10.665) | (161.886) | 1.102 | (160.784) |
| **Transactions with equity holders or owners** | **-** | **(239)** | **129** | **-** | **-** | **(110)** | **-** | **(110)** |
| Treasury share transactions | - | (239) | 129 | - | - | (110) | - | (110) |
| **Other changes in equity** | **-** | **(144.408)** | **-** | **142.960** | **-** | **(1.448)** | **(249)** | **(1.697)** |
| Transfers between equity items | - | (142.960) | - | 142.960 | - | - | - | - |
| Other changes | - | (1.448) | - | - | - | (1.448) | (249) | (1.697) |
| **Closing balance at 31 December 2020** | **171.929** | **496.629** | **(406)** | **(151.221)** | **(53.364)** | **463.567** | **(3.295)** | **460.272** |
| Total 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** |
| Capital increases/(reductions) | (24.148) | 154.700 | - | - | - | 130.552 | - | 130.552 |
| Treasury share transactions | - | 126 | (98) | - | - | 28 | - | 28 |
| **Other changes in equity** | **-** | **(150.542)** | **-** | **151.221** | **-** | **679** | **(3.577)** | **(2.898)** |
| Transfers between equity items | - | (151.221) | - | 151.221 | - | - | - | - |
| Other changes | - | 679 | - | - | - | 679 | (3.577) | (2.898) |
| **Closing balance at 31 December 2021** | **147.781** | **500.913** | **(504)** | **5.945** | **(29.859)** | **624.276** | **(3.927)** | **620.349** |

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 2021.

## Consolidated statement of cash flows for the year ended 31 December 2021 and 2020

EUR thousand

| | Ejercicio 2021 | Ejercicio 2020 |
|---|---|---|
| **A) NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES** | **(633)** | **7.644** |
| **Profit/(loss) before tax** | **42.384** | **(127.121)** |
| **Adjustments to profit/(loss)** | **48.856** | **194.636** |
| Amortisation and depreciation | 77.449 | 74.582 |
| Other adjustments to profit/(loss) | (28.593) | 120.054 |
| **Working capital changes** | **(98.017)** | **(69.496)** |
| **Other cash flows from/(used in) operating activities** | **6.144** | **9.625** |
| Dividends received | 1.702 | 3.256 |
| Income tax recovered/(paid) | (9.002) | (12.620) |
| Other amounts received from/(paid for) operating activities | 13.444 | 18.989 |
| **B) NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES** | **85.623** | **(12.930)** |
| **Payments for investments** | **(63.163)** | **(52.215)** |
| Group companies, associates and business units | (25.827) | (26.630) |
| Property, plant and equipment, intangible assets and investment properties | (29.645) | (24.741) |
| Other financial assets | (7.691) | (844) |
| **Proceeds from sale of investments** | **132.755** | **25.982** |
| Group companies, associates and business units | 127.623 | 13.620 |
| Property, plant and equipment, intangible assets and investment properties | 5.132 | 12.362 |
| **Other cash flows from investing activities** | **16.031** | **13.303** |
| Interest received | 16.031 | 13.303 |
| **C) NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES** | **(63.871)** | **(59.260)** |
| **Proceeds from (and payments for) equity instruments** | **71.426** | **(120)** |
| Issue | 71.398 | - |
| Acquisition | (8.327) | (18.728) |
| Disposal | 8.355 | 18.608 |
| **Proceeds from (and payments for) financial liability instruments** | **(36.505)** | **20.011** |
| Issue | 5.817 | 107.312 |
| Redemption and repayment | (42.322) | (87.301) |
| **Other cash flows from/(used in) financing activities** | **(98.792)** | **(79.151)** |
| Interest paid | (75.922) | (54.492) |
| Other amounts received from/(paid for) financing activities | (22.870) | (24.659) |
| **D) EFFECT OF FOREIGN EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS** | **15.322** | **(19.882)** |
| **E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)** | **36.441** | **(84.428)** |
| **F) CASH AND CASH EQUIVALENTS AT 1 JANUARY** | **471.014** | **555.442** |
| **G) CASH AND CASH EQUIVALENTS AT 31 DECEMBER (E+F)** | **507.455** | **471.014** |
| **COMPONENTS OF CASH AND CASH EQUIVALENTS AT 31 DECEMBER** | | |
| Cash in hand and at banks | 497.201 | 450.324 |
| Other financial assets | 10.254 | 20.690 |
| **TOTAL CASH AND CASH EQUIVALENTS AT 31 DECEMBER** | **507.455** | **471.014** |

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of cash flows for the year ended 31 December 2021.

# General information

## 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.

## 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.

### Otros

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



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

### Profit/(loss) for the year

Consolidated profit attributable to equity holders of the parent for the year ended 31 December 2021 amounted to EUR 24,532 thousand.

| | EUR thousand | |
|---|---|---|
| | Year ended 31/12/2021 | Year ended 31/12/2020 |
| Revenue | 2.778.604 | 2.830.727 |
| **EBITDA(*)** | **91.240** | **67.515** |
| **EBIT** | **24.544** | **(8.537)** |
| Financial profit/(loss) and other profit/(loss) | 17.840 | (118.584) |
| **Profit/(loss) before tax** | **42.384** | **(127.121)** |
| Income tax expense | (36.243) | (22.989) |
| **Profit/(loss) for the year from continuing operations** | **6.141** | **(150.110)** |
| Non-controlling interests | (196) | (1.111) |
| **Profit/(loss) for the year attributable to equity holders of the parent** | **5.945** | **(151.221)** |

(*) 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 2021 and 2020:

| | EUR thousand |
|---|---|
| **Balance at 31 December 2019** | **627.011** |
| Profit/(loss) for 2020 attributable to equity holders of the parent | (151.221) |
| Cash flow hedge reserves | 1.175 |
| Translation differences | (11.840) |
| Other changes | (1.558) |
| **Balance at 31 December 2020** | **463.567** |
| Profit/(loss) for 2021 attributable to equity holders of the parent | 5.945 |
| Cash flow hedge reserves | 15.125 |
| Translation differences | 8.380 |
| Other changes (*) | 131.259 |
| **Balance at 31 December 2021** | **624.276** |

(*) Includes capital increases (see Note 2.5)

### Changes in cash flows

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

| Cash flows | EUR thousand | | |
|---|---|---|---|
| | Year ended 31/12/2021 | Year ended 31/12/2020 | Difference |
| Operating activities | (633) | 7.644 | (8.277) |
| Investing activities | 85.623 | (12.930) | 98.553 |
| Financing activities | (63.871) | (59.260) | (4.611) |
| Effect of foreign exchange differences on cash and cash equivalents | 15.322 | (19.882) | 35.204 |
| **Net increase/(decrease) in cash and cash equivalents** | **36.441** | **(84.428)** | **120.869** |
| **Cash and cash equivalents at 1 January** | **471.014** | **555.442** | **(84.428)** |
| **Cash and cash equivalents at 31 December** | **507.455** | **471.014** | **36.441** |

## Proposed distribution of profit and dividends

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

| | EUR thousand |
|---|---|
| **2021 profit** | **23.690** |
| Distribution: | |
| To the offset of prior years' losses | 23.690 |

## 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 period.

### Diluted EPS

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

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

| | EUR thousand | |
|---|---|---|
| | As at 31/12/2021 | As at 31/12/2020 |
| Weighted average number of shares outstanding | 463.607.040 | 285.964.167 |
| Consolidated profit/(loss) for the year attributable to equity holders of the parent | 5.945 | (151.221) |
| **Basic earnings/(loss) per share = Diluted earnings/(loss) per share** | **0,01** | **(0,53)** |



# Basis of preparation and consolidation

## Basis of preparation

OHLA Group's consolidated financial statements for the year ended 31 December 2021 were:

- Authorised for issue by the Parent's directors at the meeting of the Board of Directors held on 31 March 2022.
- 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 2021 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 2021, and the results of its operations, the consolidated recognised income and expense, the changes in consolidated equity and the consolidated cash flows in 2021.
- 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 2021 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 2020 consolidated financial statements were approved by the Parent's shareholders at the General Meeting held on 29 June 2021.

The Group's consolidated financial statements and the financial statements of the Parent and Group companies for 2021 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.

## International Financial Reporting Standard (IFRSs)

### 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 2020, as none of the standards, interpretations or amendments that are effective for the first time in the current period have had any impact on the Group's accounting policies.

### 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 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.

# 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 2.7.11.

# 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 2021 consolidated financial statements required senior management of the Parent and consolidated companies to make estimates, which are subsequently ratified by their directors, that affect the reported amounts of certain assets, liabilities, revenues and expenses. These estimates relate basically to:

- Impairment losses on certain assets (see Notes 2.7.6, 3.1, 3.2, 3.3, 3.4 and 3.5).
- The useful life of intangible assets and property, plant, and equipment (see Notes 2.7.1 and 2.7.3).
- The recognition of construction contract revenue and contract costs (see Notes 2.7.15, 3.9 and 3.23).
- The amount of certain provisions (see Notes 2.7.14 and 3.20).
- The fair value of assets acquired in business combinations and goodwill (see Notes 2.6 and 3.5).
- The fair value of certain unquoted assets.
- The assessment of potential contingencies for employment, tax and legal risks (see Notes 3.20, 3.22 and 4.6.2.2).
- Financial risk management (see Note 4.2.).
- Impact of Covid-19.

Although these estimates were made on the basis of the best information available at 31 December 2021, future events could make it necessary to revise these estimates in subsequent periods. Any changes in accounting estimates would be applied in accordance with IAS 8, with the effects of the change in accounting estimates recognised in the related consolidated statement of profit or loss.

As required by IAS 1, the information relating to 2020 is presented for comparative purposes with the information for 2021 and, accordingly, does not constitute the Company's complete 2020 consolidated financial statements.

<u>**Impact of Covid-19**</u>

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

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

OHLA Group-specific disclosures:

**i. Impact on construction/project execution**

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

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

**ii. Market and business environment impact**

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

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

**iii. Employment impacts**

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

**iv. Impact on liquidity position**

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

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

**v. Impact on the measurement of assets and liabilities in the consolidated statement of financial position**

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

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

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

# Restructuring operation

## Background

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

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

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

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

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

i. difficulties renewing the Group's guarantee facilities;

ii. impossibility of refinancing the Notes under economically viable terms (specifically, the 2022 Notes would mature in 2022, with EUR 8,800 thousand of unmatured accrued interest on the Notes falling due in 2021);

iii. successive downgrades to the Group's credit rating; and

iv. losses due to internal factors.

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

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

## Lock-up agreement

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

On 4 September 2020, in a further inside information notice, the Parent disclosed that: (i) the noteholders, at their meetings in respect of the various Note issues, had approved the proposals submitted to them to the effect that they waive certain rights in consideration of the Parent and some of its subsidiaries having provided collateral to secure all amounts falling due from time to time in accordance with the ICO facility; and (ii), as to satisfaction of the other requirements for drawing down the second tranche (EUR 70,000 thousand) of the bridge financing agreement (also granted by ICO), the Parent was still in talks with the noteholders to seek strategic alternatives to shore up its statement of financial position in accordance with the earlier announcement of 7 August.

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

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

i. use their best efforts to take any action required to support, facilitate, complete or execute the Restructuring or any part of it in accordance with the Lock-Up Agreement and its attached term sheet (including any action to vote in favour of the Scheme at the relevant scheme meeting with noteholders); and

ii. not take any action that, on a reasonable view, might delay or prevent the execution or completion of the Restructuring or that might be inconsistent with the terms of the Lock-Up Agreement (including voting against the terms of the Scheme).



## Scheme of arrangement

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

i. Option 1: a Noteholder opting for Option 1 would receive "Option 1 Instruments", i.e., for every EUR 1,000 of principal of the Notes, EUR 880 of the principal of the New Notes, and, if applicable, EUR 20 by way of a "lock-up fee"; or

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

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

### Backstop commitment and election

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

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

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

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

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

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

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

### Allocation of instruments to noteholders

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

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

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

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

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

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

- The Backstop Providers, who at the date of the Scheme owned 43.82% of the principal of the Notes, were to receive:

  - In respect of an amount of Notes equivalent to 38.25% of the total principal of the Notes, the Debt-Equity Swap Option Instruments (i.e., for every EUR 1,000 principal of Notes, EUR 680 principal of New Notes and EUR 300 in New Shares), a total nominal value of EUR 158,745,762 principal of New Notes and EUR 68,033,898 in New Shares in OHL).

  - With respect to the remainder of their Notes, Option 1 Instruments.

- Noteholders who were not Backstop Providers (who, as at the Scheme date held 56.18% of the principal of the Notes) were to receive Option 1 Instruments that, together with the Option 1 Instruments to be received by the Backstop Providers as described above, would represent in aggregate a total nominal amount of EUR 328,517,042 in New Notes

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

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

## Conditions precedent of the Restructuring

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

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

## Key terms of the Restructuring

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

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

i. Capital Reduction

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

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

ii. Investment commitments and cash capital increases

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

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

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

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

### Arrangement and investment commitment fee

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

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

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

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

iii. Amendments to terms and conditions of the Notes

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

i. debt write-off;

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

iii. replacement of the remaining Notes with New Notes after the debt write-off and debt-equity swap.

## Debt-equity swap

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

a) 69.64% of the New Shares issued in respect of the Debt-Equity Swap were allotted to Sand Grove Capital Management LLP. Therefore, this investor subscribed for 64,028,844 shares of EUR 0.25 par value each.

b) 18.91% of the New Shares issued in respect of the Debt-Equity Swap were allotted to Melqart Asset Management (UK) Ltd. Therefore, this investor subscribed for 17,383,446 shares of EUR 0.25 par value each.

c) 11.45% of the New Shares issued in respect of the Debt-Equity Swap were allotted to Searchlight Opportunities Fund GP, LP. Therefore, this investor subscribed for 10,525,410 shares of EUR 0.25 par value each.

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

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

## Principles of corporate governance

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

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



## Terms and conditions of the New Notes

The key terms and conditions of the New Notes are:

a) Issuer of the New Notes

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

b) Principal

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

c) Maturity

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

d) Interest rate

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

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

e) Early redemption

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

f) Guarantees

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

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

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

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

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

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

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

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

i. first, (i) the MSF; (ii) the CESCE Guarantee Facility; (iii) the bridge financing agreement (ICO); (iv) any new guarantee facilities up to a maximum of EUR 200,000 thousand (the **"Super Senior Instruments"**); and

II. second, (i) the New Notes, and (ii) the existing bilateral guarantees (the **"Pari Passu Instruments"**).

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

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

i. first, the Super Senior Instruments; and

II. second, the Pari Passu Instruments.

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

g) Rank

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

h) Covenants

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

The covenants affecting the New Notes include

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

ii. limitations on granting security interests;

iii. limitations on restricted payments by OHL Operaciones and its subsidiaries, including the payment of dividends and similar;

iv. limitations on asset sales;

v. reporting duties to holders of New Notes;

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

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

**Backstop Fee and Backstop Fee Capital Increase**

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

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

- 69.64% of the Backstop Fee Capital Increase New Shares were allotted to Sand Grove Capital Management LLP. Therefore, this investor was entitled to convert EUR 2,369 thousand into 6,580,743 shares of EUR 0.25 par value each.
- 18.91% of the Backstop Fee Capital Increase New Shares were allotted to Melqart Asset Management (UK) Ltd. Therefore, this investor was entitled to convert EUR 643 thousand into 1,786,631 shares of EUR 0.25 par value each.
- 11.45% of the Backstop Fee Capital Increase New Shares were allotted to Searchlight Opportunities Fund GP, LP. Therefore, this investor was entitled to convert EUR 389 thousand into 1,081,778 shares of EUR 0.25 par value each.

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

**Simultaneous implementation of the Capital Increases**

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

iv. Hive-Down

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

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

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

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

**Assets within the scope of the Hive-Down**

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

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

**Timing of the Hive-Down**

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

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

**Terms of implementation of the Hive-Down**

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

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

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

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

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

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

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

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

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

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

## Financial impact and accounting treatment

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

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

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

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

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

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

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

| Increase | Cash amount | Nominal amount | Share premium | No. of shares |
|---|---|---|---|---|
| Rights issue | 34.998.199 | 24.304.305 | 10.693.894 | 97.217.220 |
| Private placement | 36.400.000 | 25.277.778 | 11.122.222 | 101.111.111 |
| Debt-equity swap | 68.033.898 | 22.984.425 | 45.049.473 | 91.937.700 |
| Arrangement and commitment fee capital increase | 1.750.000 | 1.215.278 | 534.722 | 4.861.111 |
| Backstop fee capital increase | 3.401.695 | 2.362.288 | 1.039.407 | 9.449.152 |
| **TOTAL** | **144.583.792** | **76.144.074** | **68.439.718** | **304.576.294** |

*Monetary units (EUR)*

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

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

| | New notes | Debt-equity swap | Write-off | Nominal amount swapped |
|---|---|---|---|---|
| Backstop Providers (38.25%) | 158.745.762 | 68.033.898 | - | 226.779.660 |
| Other (61.75%) | 328.521.042 | - | 37.587.298 | 366.108.340 |
| **TOTAL** | **487.266.804** | **68.033.898** | **37.587.298** | **592.888.000** |

*Monetary units (EUR)*

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

### Accounting treatment of the operation

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

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

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

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

i. **Share price of EUR 0.636 per share** at the close of the first day of trading following the capital increases.

ii. **Fair value of the New Notes at 89.26%** at the time of the swap calculated using a model built to estimate the fair value of the notes according to the principles outlined in IFRS 13 and factoring in the following:

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

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

| ASSETS | EUR thousand |
|---|---|
| Cash and cash equivalents | 50.236 |
| **Total current assets** | **50.236** |
| **Total assets** | **50.236** |
| **EQUITY AND LIABILITIES** | **EUR thousand** |
| Share capital | 76.144 |
| Share premium | 62.828 |
| Reserves | (9.102) |
| Profit/(loss) | 75.375 |
| **Equity** | **205.245** |
| Issue of bonds and other marketable securities | (155.009) |
| **Total liabilities** | **(155.009)** |
| **Total equity and liabilities** | **50.236** |

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

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

- **Cash Capital Increases** of EUR 71,398 thousand, of which EUR 49,582 thousand was recognised in share capital and EUR 21,816 thousand in the share premium account.
- Measurement of equity instruments delivered for the **Debt-Equity Swap** taking the closing price on the first day of trading on the continuous market after the date the Restructuring became effective and the liability was cancelled, of EUR 0.636 per share. Applying this amount to the 91,937,700 shares issued in the Debt-Equity Swap, the fair value of the shares recognised was EUR 22,984 thousand in share capital and EUR 35,488 thousand in share premium.
- Measurement of equity instruments delivered in the **conversion to equity of the fees**, also applying a price of EUR 0.636 to each share of the 14,310,263 shares issued in this connection, led to the recognition at fair value of the shares of EUR 9,102 thousand, of which EUR 3,577 thousand was recognised in share capital and EUR 5,525 thousand in share premium. These fees were also considered expenses related to the other capital increases and recognised directly in equity, with no impact on profit or loss.

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

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

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

# 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 2021.

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 2021 are described in Appendix IV.

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

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

Among inclusions:

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

The main exclusions were:

- Nuevo Hospital de Toledo, S.A. and its operator Mantholedo, S.A.U. following the sale of the Group's ownership interests (see Note 3.7) in April 2021.

- Five companies following the sale of the Group's 49% stake in the Old War Office project (see Note 3.7) in June 2021.
- The 65% stake in Sociedad Concesionaria Aguas de Navarra, S.A. and 30% stake in Navarra Gestión del Agua S.A. from the sale by the Group to Impact Navarra S.R.L.U. in October 2021. The selling price, which included a value allocated to the shares and the payment of subordinated debt and other receivables, was EUR 25,969 thousand, which was collected in full on the date of sale. The gain on the disposal amounted to EUR 7,699 thousand (see Note 3.23).

### PACADAR GROUP PURCHASE PRICE ALLOCATION

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

The fair values of the assets and liabilities arising from the acquisition of Pacadar Group and included in the consolidated financial statements as at 31 December 2021 are as follows.

| Fair value | EUR thousand |
|---|---|
| Intangible assets (portfolio) | 14.320 |
| Property, plant and equipment | 80.346 |
| Other non-current assets | 3.149 |
| Non-current assets | 97.815 |
| Current assets | 10.896 |
| **Total assets** | **108.711** |
| Deferred tax liabilities | 14.712 |
| Other non-current liabilities | 11.624 |
| Non-current liabilities | 26.336 |
| Current liabilities | 58.848 |
| **Total liabilities** | **85.184** |
| **Acquisition cost** | **53.769** |
| **Goodwill** | **30.242** |

In accordance with IFRS 3, on acquisition the acquirer must assess the fair value of the identifiable assets acquired and the liabilities assumed of the acquiree for the purchase price allocation (PPA). Based on this assessment, the Group recognised the following fair-value adjustments as at 31 December 2021:

- a revaluation of property, plant and equipment, for EUR 41,362 thousand. This revaluation was based on appraisals by an independent expert of Pacadar Group's six mobile and seven fixed factories;
- recognition of an intangible asset in an amount of EUR 13,939 thousand for the fair value of the project portfolio, determined by an external advisor as independent expert using the multi-period excess earning method ("MEEM"); and
- 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.

The accounting standards stipulates a measurement period of one year after the acquisition date, during which the acquirer must recognise additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date. Therefore, the amount recognised is provisional, although the Group's directors do not expect any material changes.

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

The Group tested the net assets acquired including the goodwill for impairment at 31 December 2021, by comparing the carrying amount with Pacadar Group's updated business model. This did not give rise to any adjustment (see Notes 3.1, 3.3 and 3.5).

# Accounting policies

The accounting policies, and measurement bases, used by the Group in preparing the 2021 consolidated financial statements are disclosed below.

## 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 2021 and 2020 at a rate of 9%.

## 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.

### 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.

### 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.

## 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 2.7.17.

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.

## 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.

## 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.

## 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 the 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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.

## 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 2021, 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.

## 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.

## 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 2021, the balance of "reverse factoring" in "Trade and other payables" amounted to EUR 3,569 thousand and related primarily to temporary business associations or joint ventures (UTEs) (2020: EUR 3,324 thousand).

## 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.

# Notes to the financial statements

## Intangible assets

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2021 and 2020:

| | EUR thousand |
|---|---|
| **Cost** | |
| Balance at 1 January 2020 | 467.797 |
| Additions and disposals due to changes in the scope of consolidation | (76) |
| Additions | 2.365 |
| Disposals | (4.890) |
| Transfers and other | - |
| Exchange differences | (25.347) |
| Balance at 31 December 2020 | 439.849 |
| Additions and disposals due to changes in the scope of consolidation | 22.299 |
| Additions | 1.837 |
| Disposals | (1.755) |
| Transfers and other | - |
| Exchange differences | 23.058 |
| Balance at 31 December 2021 | 485.288 |
| **Accumulated amortisation and impairment losses** | |
| Balance at 1 January 2020 | 278.690 |
| Additions and disposals due to changes in the scope of consolidation | (76) |
| Additions | 22.379 |
| Disposals | (3.639) |
| Impairment losses | - |
| Transfers and other | - |
| Exchange differences | (13.747) |
| Balance at 31 December 2020 | 283.607 |
| Additions and disposals due to changes in the scope of consolidation | 7.979 |
| Additions | 25.323 |
| Disposals | (1.474) |
| Impairment losses | - |
| Transfers and other | - |
| Exchange differences | 12.863 |
| Balance at 31 December 2021 | 328.298 |
| **Net balance at 31 December 2020** | **156.242** |
| **Net balance at 31 December 2021** | **156.990** |



This item includes mainly the amounts allocated in the consolidation of the customer portfolio and the backlog of acquirees in the US. At 31 December 2021, the net amount of the backlog allocated to US companies stood at EUR 139,313 thousand (2020: EUR 147,767 thousand). Meanwhile, under the framework of the business combination of the Pacadar subgroup, an intangible asset was added in this connection with a net amount at year-end of EUR 10,915 thousand (see Note 2.6).

Additions due to changes in the scope of consolidation included assets acquired from Pacadar Group for a net amount of EUR 14,320 thousand.

At 31 December 2021, intangible assets with a gross amount of EUR 64,388 thousand had been fully amortised and were still in use (2020: EUR 53,411 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 2022-2024 period of 7-10%. 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 5-5.5%.

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.

## 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.

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2021 and 2020::

| | EUR thousand | | |
|---|---|---|---|
| | Intangible asset model | Financial asset model | Total |
| **Cost** | | | |
| Balance at 1 January 2020 | 16.689 | 59.666 | 76.355 |
| Additions | 1.132 | 1.751 | 2.883 |
| Balance at 31 December 2020 | 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 |
| **Accumulated amortisation** | | | |
| Balance at 1 January 2020 | 3.588 | - | 3.588 |
| Additions | 521 | - | 521 |
| Balance at 31 December 2020 | 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 |
| **Net balance at 31 December 2020** | **13.712** | **61.417** | **75.129** |
| **Net balance at 31 December 2021** | **678** | **-** | **678** |

The most significant change in this item was due to the departure of Aguas de Navarra from the Group as a result of its sale (see Note 2.6).

The Group's fully consolidated concessions at 31 December 2021 were as follows:

| Operator | Description of concession | Country | % | Projected future investment (EUR thousand) | Remain period (years) |
|---|---|---|---|---|---|
| Sociedad Concesionaria Centro de Justicia de Santiago, S.A. | Law courts | Chile | 100 | - | 4 |
| Marina Urola, S.A. | Marina | Spain | 51 | - | 6 |

At 31 December 2021, "Concession infrastructure" did not include any borrowing costs capitalised during the construction period (2020: EUR 1,455 thousand).

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

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Intangible asset model** | | |
| Sociedad Concesionaria Aguas de Navarra, S.A. | - | 12.942 |
| Marina Urola, S.A. | 643 | 733 |
| Other | 35 | 37 |
| Total intangible asset model | 678 | 13.712 |
| **Financial asset model** | | |
| Sociedad Concesionaria Aguas de Navarra, S.A. | - | 61.417 |
| Total financial asset model | - | 61.417 |
| **Total** | **678** | **75.129** |

# Property, plant and equipment

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2021 and 2020:

| | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | 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 2020 | 79.748 | 355.111 | 86.735 | 10.204 | 66.438 | 598.236 |
| Additions and disposals due to changes in the scope of consolidation | - | (24) | (26) | - | - | (50) |
| Additions | 7.632 | 23.696 | 1.762 | 4.956 | 8.890 | 46.936 |
| Disposals | (34.789) | (38.913) | (4.779) | (11.337) | (4.910) | (94.728) |
| Transfers and other | 20.101 | 440 | - | (440) | - | 20.101 |
| Exchange differences | (1.920) | (20.604) | (7.349) | (844) | (4.445) | (35.162) |
| Balance at 31 December 2020 | 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 |
| **Accumulated depreciation** | | | | | | |
| Balance at 1 January 2020 | 28.294 | 266.150 | 75.344 | - | 42.059 | 411.847 |
| Additions and disposals due to changes in the scope of consolidation | - | (24) | (26) | - | - | (50) |
| Additions | 7.360 | 28.862 | 2.923 | - | 8.121 | 47.265 |
| Disposals | (14.981) | (34.218) | (3.851) | - | (4.654) | (57.704) |
| Transfers and other | 14.644 | - | (5) | 5 | - | 14.644 |
| Exchange differences | (903) | (14.958) | (6.374) | - | (3.132) | (25.366) |
| Balance at 31 December 2020 | 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 |
| **Net balance at 31 December 2020** | **36.358** | **73.893** | **8.332** | **2.534** | **23.580** | **144.697** |
| **Net balance at 31 December 2021** | **71.331** | **97.291** | **14.830** | **9.996** | **29.451** | **222.899** |

The most significant changes were the result of the inclusion of the Pacadar subgroup in the scope of consolidation. 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 (see Note 2.6).

At 31 December 2021, items of property, plant and equipment with a carrying amount of EUR 305 thousand (2020: EUR 357 thousand) had been mortgaged as security for loans against which EUR 60 thousand had been drawn down (2020: EUR 87 thousand) (see Note 3.18.1.).

At 31 December 2021 and 2020, 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 240,540 thousand had been fully depreciated and were still in use at 31 December 2021 (2020: EUR 206,014 thousand).

At 31 December 2021 and 2020, 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 2021 and 2020. 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 2021 and 2020:

| | EUR thousand | | | | |
|---|---|---|---|---|---|
| | Land and buildings | Machinery | Other installations, equipment and furniture | Other property, plant and equipment | Total |
| **Balance at 31 December 2019** | **28.807** | **16.645** | **93** | **6.980** | **52.525** |
| Additions | 6.096 | 9.955 | - | 4.623 | 20.673 |
| Period depreciation charge | (6.158) | (12.331) | (74) | (2.955) | (21.518) |
| Disposals and other | (13.090) | (1.826) | - | (127) | (15.043) |
| **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** | **12.230** | **39.150** |

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 2021 related to leases was the recognition of an asset depreciation charge of EUR 20,129 thousand and of interest expenses on the associated liabilities amounting to EUR 2,096 thousand.

## Investment properties

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2021 and 2020:

| | EUR thousand |
|---|---|
| **Balance at 31 December 2019** | **10.154** |
| Additions and disposals due to changes in the scope of consolidation | - |
| Additions | 118 |
| Disposals | (278) |
| Exchange differences | (241) |
| Transfers | (5.458) |
| **Balance at 31 December 2020** | **4.295** |
| Additions and disposals due to changes in the scope of consolidation | - |
| Additions | - |
| Disposals | (57) |
| Exchange differences | 88 |
| Transfers | (4) |
| **Balance at 31 December 2021** | **4.322** |

At 31 December 2021, certain investment properties with a carrying amount of EUR 162 thousand (2020: EUR 164 thousand) had been mortgaged as security for loans against which EUR 48 thousand had been drawn down (2020: EUR 63 thousand) (see Note 3.18.1).

# Goodwill

The breakdown of "Goodwill" in the consolidated statement of financial position as at 31 December 2021 and 2020, by company giving rise to it, is as follows:

| Companies giving rise to goodwill | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Agrupación Guinovart Obras y Servicios Hispania, S.A. | 2.492 | 2.492 |
| Construcciones Adolfo Sobrino, S.A. | 3.408 | 3.408 |
| EyM Instalaciones, S.A. | 99 | 99 |
| Inizia Networks, S.L. | 358 | - |
| Pacadar, S.A.U. and subsidiaries | 30.242 | - |
| OHL Servicios – Ingesan, S.A.U. | 399 | 399 |
| **Total** | **36.998** | **6.398** |

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.U.

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 (see Note 2.6).

At 31 December 2021, the recoverable amount of the assets was calculated using a discounted cash flow model and compared to carrying amount.

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

i. Revenue of approximately EUR 124 million, with growth in the 2023-2024 period of 3.7-5.7%. To achieve this revenue, the forecast is for annual order intake of around EUR 130 million, which would provide sufficient cover to the backlog.
ii. An EBITDA margin of 7.5-10.5%.
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.



# Financial assets

## Investment securities

Investment securities at 31 December 2021 and 2020:

| | EUR thousand | | | |
|---|---|---|---|---|
| | 31/12/2021 | | 31/12/2020 | |
| | Non-current | Current | Non-current | Current |
| Held-to-maturity securities | 1.168 | 50.986 | 279 | 45.132 |
| Available-for-sale securities | 60.172 | 3 | 63.897 | 3 |
| Subtotal | 61.340 | 50.989 | 64.176 | 45.135 |
| Provisions | (15.921) | - | (3.928) | - |
| **Total** | **45.419** | **50.989** | **60.248** | **45.135** |

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

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

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

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

## Other receivables and deposits and guarantees given

The breakdown by item is as follow:

| | EUR thousand | | | |
|---|---|---|---|---|
| | 31/12/2021 | | 31/12/2020 | |
| | Non-current | Current | Non-current | Current |
| Other receivables | 142.039 | 150.532 | 243.063 | 14.701 |
| Deposits and guarantees given | 9.569 | 146.622 | 8.910 | 148.380 |
| Impairment losses | (51.975) | (13.362) | (5.322) | (13.311) |
| **Total, net** | 99.633 | **283.792** | **246.651** | **149.770** |

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

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

i. A profit participating loan to Aeropistas, S.L., for EUR 18,587 thousand, for which an impairment loss was recognised at 31 December 2021 (see Note 4.6.2.2).

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

iii. Loans granted to associates for EUR 52,585 thousand, primarily the subordinated debt of the Canalejas Project.

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

Other loans related to concession operator Cercanías Móstoles Navalcarnero, S.A. were reclassified from non-current to current given the outlook for imminent receipt after the agreements with and payments made by the Madrid regional government to CEMONASA (see Note 4.6.2.2 and following section).

### Cercanías Móstoles Navalcarnero, S.A

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

i. On 4 August 2021, the CAM paid a total amount of EUR 18,285 thousand for unduly enforced guarantees, plus late payment interest.

ii. On 28 December 2021, the CAM paid EUR 123,390 thousand (plus VAT) and EUR 39,106 thousand of late payment interest for settlement of the design, construction and operation of the public works for the new railway line between Móstoles Central and Navalcarnero contract.

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

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

In January 2022, the Group received EUR 160,155 thousand for the basic loan due to claims related to projects, receivables for guarantees and a profit participating loan. It was paid other smaller amounts, totalling EUR 1,646 thousand, related to invoices paid by OHL, S.A. on behalf of CEMONASA (see Note 5).

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

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

# Joint arrangements

## Investments accounted for using the equity method

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

| Companies | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Joint ventures** | | |
| Constructora Vespucio Oriente, S.A. | 3.624 | 2.156 |
| Nova Dársena Esportiva de Bara, S.A. | 8.330 | 9.807 |
| NCC - OHL Lund-Arlöv, fyra spar Handelsbolag | 3.870 | 2.366 |
| Rhatigan OHL Limited | 1.266 | 1.616 |
| Other | 630 | 11.675 |
| **Associates** | | |
| Alse Park, S.L. | 2.301 | 974 |
| Health Montreal Collective Limited Partnership | - | 5.675 |
| Nuevo Hospital de Toledo, S.A. | - | 19.157 |
| Proyecto Canalejas Group, S.L. | 146.137 | 145.807 |
| 57 Whitehall Holdings S.A.R.L. | - | 98.683 |
| Other | 1.063 | (2.810) |
| **Total** | **167.221** | **295.106** |

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2021 and 2020:

| | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| **Opening balance at 1 January** | **295.106** | **301.362** |
| Increases | 11.364 | 27.091 |
| Share of profit/(loss) for the year from continuing operations | (2.703) | 677 |
| Decreases | (18.275) | (34.013) |
| Additions and disposals due to changes in the scope of consolidation | (115.418) | (11) |
| Transfers to non-current assets held for sale | (2.853) | - |
| **Closing balance at 31 December** | **167.221** | **295.106** |

The most significant asset is:

**Canalejas (Proyecto Canalejas Group, S.L.)**

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

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

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

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

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 growth forecasts covering a three-year period and then a residual value based on the capitalisation of rents. The key assumptions considered include market levels, to which a 4% capitalisation rate is applied.

For hotel use, estimates for occupancy and ADR (average daily rate) were based on average levels of luxury hotels in other European capitals where the Four Seasons brand operates. Estimates for the shopping centre include maximum occupancy of gross leasable area, 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 8%, in line with the levels required by equity and debt creditors.

The higher investments and costs incurred, coupled with the project's lower profitability, due mostly to the delay in the opening of the shopping centre, resulted in a write-down of EUR 14,453 thousand as at 31 December 2021 (see Note 3.23).

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

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

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

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 at 31 December 2021 amounted to EUR 45 thousand (2020: EUR 2,175 thousand).

Its share of net losses of associates at 31 December 2021 amounted to EUR 2,748 thousand (2020: EUR 1,498 thousand).

## 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 2021 of joint operations, in proportion to the percentage ownership interest, which the Group considers immaterial taken individually.

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Non-current assets | 23.300 | 29.665 |
| Current assets | 614.198 | 648.397 |
| Non-current liabilities | 9.200 | 9.664 |
| Current liabilities | 556.278 | 616.111 |
| Revenue | 645.022 | 665.053 |
| EBIT | 44.182 | 74.570 |
| Profit before tax | 45.943 | 63.142 |

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

# Non-current assets/liabilities held for sale

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

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

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

| | EUR thousand |
|---|---|
| **Assets held for sale** | **31/12/2021** |
| Other non-current receivables | 29.660 |
| Investments accounted for using the equity method | 2.853 |
| Other receivables | 1 |
| Other current assets | 1 |
| **Non-current assets held for sale** | **32.515** |
| **Liabilities held for sale** | **31/12/2021** |
| Trade and other payables | 8 |
| Other current liabilities | 1 |
| **Liabilities associated with non-current assets held for sale** | **9** |

# Trade and other receivables

### Trade receivables

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

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Trade receivables** | | |
| Amounts to be billed for work or services performed | 418.876 | 368.292 |
| Progress billings receivable | 480.478 | 484.373 |
| Retentions | 124.160 | 124.732 |
| Trade notes receivable | 3.064 | 234 |
| Subtotal | 1.026.578 | 977.631 |
| Amounts billed in advance for construction work | (185.851) | (241.656) |
| Advances | (238.674) | (175.490) |
| Total, net of advances received from customers | 602.053 | 560.485 |
| Provisions | (103.348) | (98.026) |
| **Total, net** | **498.705** | **462.459** |

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

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

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Spain | 335.897 | 327.395 |
| Public sector | 150.365 | 132.450 |
| Central government | 25.008 | 21.099 |
| Regional government | 50.308 | 35.194 |
| Local government | 38.714 | 37.719 |
| Other agencies | 36.335 | 38.438 |
| Private sector | 185.532 | 194.945 |
| Abroad | 690.681 | 650.236 |
| **Total** | **1.026.578** | **977.631** |

Of the balance of "Trade receivables - Abroad" at 31 December 2021, 79.2% or EUR 546,830 thousand related to the public sector and 20.8% or EUR 143,851 thousand to the private sector.

"Amounts to be billed for work or services performed" at 31 December 2021 stood at EUR 418,876 thousand (2020: EUR 368,292 thousand), representing 1.8 months of sales, in line with the year-earlier figure. Of the total, 97.1% related to balances on contract from the Construction and Industrial areas and the remainder from Service.

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" at 31 December 2021, which totalled EUR 483,542 thousand, 67.9% or EUR 328,209 thousand relate to the public sector and 32.1% or EUR 155,333 thousand to the private sector.

The ageing of this balance at 31 December 2021 is as follows:

| | EUR thousand | | |
|---|---|---|---|
| | Type of customer | | |
| | Public sector | Private sector | Total |
| 0 to 90 days | 267.881 | 40.348 | 308.229 |
| 91 to 180 days | 13.471 | 4.763 | 18.234 |
| 181 to 360 days | 9.959 | 5.173 | 15.132 |
| More than 360 days | 36.896 | 105.051 | 141.947 |
| **Total** | **328.207** | **155.335** | **483.542** |

Of the balance of "Progress billings receivable" and "Trade notes receivable" at 31 December 2020, which totalled EUR 484,607 thousand, 63.2% or EUR 306,231 thousand related to the public sector and 36.8% or EUR 178,376 thousand to the private sector.

The ageing of this balance at 31 December 2020 is as follows:

| | EUR thousand | | |
|---|---|---|---|
| | Type of customer | | |
| | Public sector | Private sector | Total |
| 0 to 90 days | 233.758 | 67.476 | 301.234 |
| 91 to 180 days | 17.451 | 6.097 | 23.548 |
| 181 to 360 days | 5.391 | 14.872 | 20.263 |
| More than 360 days | 49.631 | 89.931 | 139.562 |
| **Total** | **306.231** | **178.376** | **484.607** |

The movements in provisions in 2021 and 2020 were as follows:

| | EUR thousand |
|---|---|
| **Balance at 31 December 2019** | **(96.691)** |
| Arising in the year and utilised | (1.335) |
| **Balance at 31 December 2020** | **(98.026)** |
| Arising in the year and utilised | (5.322) |
| **Balance at 31 December 2021** | **(103.348)** |

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 2.7.15).

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 2021 and 2020:

| | EUR thousand | | | |
|---|---|---|---|---|
| | 2021 | 2020 | Difference | % change |
| Amounts to be billed for work performed | 406.786 | 359.435 | 47.351 | 13,2% |
| Advances from customers | (421.546) | (414.027) | (7.519) | 1,8% |
| Construction contracts, net | (14.760) | (54.592) | 39.832 | -73,0% |
| Retentions | 124.160 | 124.732 | (572) | -0,5% |
| **Net advances and retentions** | **109.400** | **70.140** | **39.260** | **n/a** |

### Other receivables

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

| | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | 31/12/2021 | | | 31/12/2020 | | |
| | Gross balance | Impairment losses | Net balance | Gross balance | Impairment losses | Net balance |
| Receivable from associates | 112.219 | (3.039) | 109.180 | 134.521 | (1.014) | 133.507 |
| Employee receivables | 1.160 | - | 1.160 | 931 | - | 931 |
| Tax receivables | 85.743 | - | 85.743 | 77.368 | - | 77.368 |
| Other receivables | 78.001 | (6.872) | 71.129 | 47.159 | (10.074) | 37.085 |
| **Total** | **277.123** | **(9.911)** | **267.212** | **259.979** | **(11.088)** | **248.891** |

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

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



# Other current assets

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

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

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

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

The following transactions were recognised under scope of this agreement:

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

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

# Cash and cash equivalents

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

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

# Share capital

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

At the Extraordinary General Shareholders' Meeting held on 26 March 2021, approval was given to reduce capital by reducing the par value of shares outstanding by EUR 0.35 each, from EUR 0.60 to EUR 0.25 per share. The deed for the capital reduction was executed on 30 March 2021 and placed on file at the Madrid Companies Registry on 20 April 2021. The Group accounted for the transaction by reducing share capital by EUR 100,292 thousand and increasing non-distributable voluntary reserves by the same amount (see Note 2.9.5).

At the same meeting, shareholders approved increases in the share capital of the Parent. The related deeds were executed on 25 June 2021 and placed on file at the Madrid Companies Registry on 28 June 2021, the date all the new shares were admitted to trading on the Madrid and Barcelona Stock Exchanges. The Cash Capital Increases were paid in full on subscription. The Parent's share capital after these transactions increased by EUR 76,144 thousand through the issuance of 304,576,294 new ordinary shares carrying the same rights as existing shares (see Note 2.9.5). The transaction costs, which include the specific costs of the capital increase and the conversion to equity of the Arrangement and Backstop fees, for EUR 11,070 thousand, were recognised as a reduction to reserves, net of the related tax effect, of EUR 2,768 thousand.

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

| | Number of shares | Par value of the shares (EUR) | Nominal amount (EUR thousand) |
|---|---|---|---|
| **Number of shares and nominal amount of share capital at 31 December 2020** | **286.548.289** | **0,60** | **171.929** |
| Capital reduction through reduction of par value | 286.548.289 | (0,35) | (100.292) |
| Capital increases (Note 2.5.5) | 304.576.294 | 0,25 | 76.144 |
| **Number of shares and nominal amount of share capital at 31 December 2021** | **591.124.583** | **0,25** | **147.781** |

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

| Company | % ownership |
|---|---|
| Concerted action (Luis Fernando Martin Amodio and Julio Mauricio Martin Amodio ) | 25,97 |
| Simon Davies | 15,51 |
| Inmobiliaria Espacio, S.A. | 7,10 |

## Share premium

Movements in the share premium account in 2021:

| | EUR thousand |
|---|---|
| **Share premium balance at 31 December 2020** | **1.265.300** |
| Capital increases | 68.440 |
| Fair value adjustments | (5.612) |
| **Share premium balance at 31 December 2021** | **1.328.128** |

The share premium adjustments were the result of the recognition at fair value of the Debt-Equity Swap, and the Arrangement and Commitment Fee and Backstop Fee capital increases (see Note 2.5).

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.

## Treasury shares

The changes in treasury shares in 2021 and 2020 were as follows:

| | No. of shares | EUR thousand |
|---|---|---|
| **Balance at 31 December 2019** | **515.037** | **535** |
| Purchases | 22.615.843 | 18.728 |
| Sales | (22.530.013) | (18.857) |
| **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** |

## Reserves

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

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Restricted reserves of the parent** | | |
| Legal reserve | 29.556 | 34.386 |
| Capital redemption reserve | 11.182 | 11.182 |
| Subtotal | 40.738 | 45.568 |
| **Voluntary and consolidation reserves** | | |
| Attributable to the parent | (706.378) | (604.631) |
| Attributable to consolidated companies | (161.575) | (209.608) |
| Subtotal | (867.953) | (814.239) |
| **Total** | **(827.215)** | **(768.671)** |

### 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 2020. 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 2021 and 2020 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

Until the balance of development expenditure has been fully amortised, no dividends may be distributed unless the unrestricted reserves are at least equal to the amount of the unamortised balance of this item. Therefore, at the end of 2021, an amount of EUR 886 thousand of "Share premium" and "Other reserves" of the Parent was restricted.

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

### Voluntary reserves

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

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

### Reserves in consolidated companies

The balance at 31 December 2021 was a negative EUR 161,575 thousand (2020: negative EUR 209,608 thousand) and related to voluntary reserves of Group subsidiaries and associates for retained earnings.

## Valuation adjustments

### Cash flow hedge reserves

This item includes changes to the value of derivative financial instruments net of the related tax effect.

Set out below is the reconciliation of this item in 2021 and 2020:

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Opening balance** | **(15.125)** | **(16.300)** |
| Net change in the period at fully consolidated companies | 5.783 | (2.069) |
| Net change in the period at companies accounted for using the equity method | 9.342 | 3.244 |
| **Closing balance** | - | **(15.125)** |

The change in this item was due to the sale of Nuevo Hospital de Toledo and Sociedad Concesionaria Aguas de Navarra, which at year-end 2020 had entered into interest rate derivatives designated as hedging instruments (see Note 3.23).

### Translation differences

Translation differences by country at 31 December 2021 and 2020:

| Country | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Saudi Arabia | 3.538 | 1.854 |
| Canada | (3.855) | (3.908) |
| Colombia | 4.414 | 1.970 |
| Mexico | (37.666) | (41.012) |
| Chile | (16.044) | 1.832 |
| Peru | (397) | (322) |
| UK | (16) | (1.270) |
| Czech Republic | 4.887 | 4.001 |
| US | 15.821 | (5.919) |
| Other countries | (541) | 4.535 |
| **Total** | **(29.859)** | **(38.239)** |

## 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 2021 and 2020:

| Companies | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| Sociedad Concesionaria Aguas de Navarra, S.A. | - | 404 |
| Consorcio Aura - OHL, S.A. | 1 | - |
| Estación Rebombeo Degollado, S.A.P.I. de C.V. | (1.951) | (1.812) |
| Hidrógeno Cadereyta, S.A.P.I. de C.V. | (1.468) | (1.241) |
| Hidro Parsifal, S.A. de C.V. | (107) | (102) |
| Inizia Networks, S.L. | (65) | - |
| Marina Urola, S.A. | 443 | 403 |
| Cogeneración Complejo Pajaritos, S.A.P.I. de C.V. | (850) | (947) |
| Consorcio Valko - OHL - Besalco S.A. | 70 | - |
| **Total** | **(3.927)** | **(3.295)** |

The share of non-controlling interests in the profit for 2021 amounted to EUR 196 thousand (2020: EUR 1,111 thousand of losses).

The detail of the percentage ownership interest and the company name of non-controlling shareholders of fully consolidated Group companies at 31 December 2021 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. | 33,0% | Besalco Construcciones S.A. |
| | 33,0% | 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 |
| | 5,1% | María de Lourdes Bernarda Ramos Elorduy |
| | 5,1% | 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. |
| OHL Industrial and Partners LLC | 30,0% | Faisal Hamid Ahmed Ghazali |

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

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

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| **Non-current liabilities** | | |
| Bank borrowings | 43.355 | 52.852 |
| Issue of corporate notes | 444.642 | 589.636 |
| **Current liabilities** | | |
| Bank borrowings | 26.054 | 97.827 |
| Issue of corporate notes | 9.458 | 8.804 |
| **Total** | **523.509** | **749.119** |

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

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

## Bank borrowings

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

| | EUR thousand | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2026 | Other | Total |
| Progress billing and note discounting facilities | 572 | - | - | - | - | - | 572 |
| Mortgage loans | 44 | 46 | 15 | 3 | - | - | 108 |
| Loans and credit facilities (*) | 25.436 | 21.537 | 20.842 | 912 | - | - | 68.727 |
| **Total loans** | **26.052** | **21.583** | **20.857** | **915** | - | - | **69.407** |
| Unmatured accrued interest payable | 2 | - | - | - | - | - | 2 |
| **Total unmatured accrued interest payable** | **2** | **-** | **-** | **-** | **-** | **-** | **2** |
| **Total** | **26.054** | **21.583** | **20.857** | **915** | **-** | **-** | **69.409** |

(*) Includes contractual maturities of the bridge financing agreement (ICO). Cancelled on 31 January 2022 (see Note 5).

- Progress billing and note discounting facilities

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

- Mortgage loans
  - At 31 December 2021 certain items of property, plant and equipment amounting to EUR 305 thousand (2020: EUR 357 thousand) had been mortgaged as security for loans of EUR 60 thousand (2020: EUR 87 thousand).
  - At 31 December 2021, certain investment properties amounting to EUR 162 thousand (2020: EUR 164 thousand) had been mortgaged as security for loans of EUR 48 thousand (2020: EUR 63 thousand).

- Bridge financing agreement (ICO)

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

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

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

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

**This facility was fully repaid on 31 January 2022 with amounts received from CEMONASA (see Note 5).**

- Limits on loans and credit facilities

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Limit | 96.731 | 252.039 |
| Amount drawn down | 69.680 | 159.114 |
| Undrawn balance | 27.051 | 92.925 |

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

## Issue of bonds and other marketable securities

Under the scope of the Restructuring completed on 28 June 2021, the Group cancelled the outstanding 2022 and 2023 Notes through a combination of: (i) write-off; (ii) debt-equity swap of the principal of the Notes; and (iii) issuance of new notes. In all, the accounting of the refinancing resulted in the derecognition of the carrying amount of the notes of EUR 589,636 thousand and payment of the accrued coupon to the date of execution of EUR 23,787 thousand, and the recognition of EUR 434,934 thousand for the new issue of notes measured at fair value (see Note 2.5).

The characteristics of the New Notes (see Note 2.5.5. for the terms and conditions of the issue) are as follows:

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

*EUR thousand*

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

Breakdown of the carrying amount of the New Notes.

| | EUR thousand |
|---|---|
| **June 2021 issue** | |
| Nominal | 487.267 |
| Fair value adjustment | (44.187) |
| Accrued coupon | 9.458 |
| PIK interest | 1.562 |
| **Balance at 31 December 2021** | **454.100** |

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

Contractual maturities of the new notes on a cash outflow basis are: EUR 25,024 thousand in 2022; EUR 25,401 thousand in 2023; EUR 26,057 thousand in 2024; EUR 291,230 thousand in 2025 and EUR 290,683 thousand in 2026.

On each interest payment date, PIK interest on the New Notes will be capitalised and added to the total outstanding principal of the New Notes. The actual cash outflow in this connection will occur on 31 March 2025 and 31 March 2026.

In calculating these amounts, the partial cancellation of the notes in March 2022 was considered (see Note 5).

On 8 March 2022, ratings agency Moody's upgraded OHLA's corporate family rating (CFR) to **B3, outlook positive** (see Note 5).

# Other financial liabilities

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

| | EUR thousand | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Lease liabilities, non-current | 24.937 | 21.158 |
| Derivatives, non-current | - | 12.644 |
| Lease liabilities, current | 15.943 | 16.862 |
| **Total** | **40.880** | **50.664** |

### Lease liabilities

Detail by maturity of lease liabilities at 31 December 2021:

| | EUR thousand | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2026 | Resto | Total |
| Lease liabilities | 15.943 | 13.874 | 5.263 | 2.949 | 1.401 | 1.450 | 40.880 |
| **Total** | **15.943** | **13.874** | **5.263** | **2.949** | **1.401** | **1.450** | **40.880** |

The main liabilities recognised at 31 December 2021 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 at 31 December 2021 totalled EUR 22,446 thousand, 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 2021.

### 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 2021.

The main decrease in derivatives in the consolidated statement of financial position was due to the departure from the Group in 2021 of Sociedad Concesionaria Aguas de Navarra, which at the end of 2020 had recognised an interest rate swap with a negative fair value of EUR 12,327 thousand (see Notes 3.16 and 3.23).

## Provisions

### Non-current provisions

Breakdown of this item at 31 December 2021:

| | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | Balance at 31 December 2020 | Additions and disposals due to changes in the scope of consolidation and reclassifications | Arising during the period | Utilised | Net exchange differences and interest cost | Balance at 31 December 2021 |
| Provisions for taxes | 6.743 | - | 1.226 | (18) | 135 | 8.086 |
| Provisions for litigation and third-party liability | 55.645 | 2.503 | 3.076 | (7.626) | 112 | 53.710 |
| Other provisions | 1.322 | 6 | 1.033 | (75) | (58) | 2.228 |
| **Total** | **63.710** | **2.509** | **5.335** | **(7.719)** | **189** | **64.024** |

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 2021:

| | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | 2023 | 2024 | 2025 | 2026 | Other | Total |
| Provisions for taxes | 3.662 | - | - | - | 4.424 | 8.086 |
| Provisions for litigation and third-party liability | 727 | 1.429 | 1.418 | 974 | 49.162 | 53.710 |
| Other provisions | 488 | - | - | 868 | 872 | 2.228 |
| **Total** | **4.877** | **1.429** | **1.418** | **1.842** | **54.458** | **64.024** |

### Current provisions

Breakdown of this item at 31 December 2021:

| | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | Balance at 31 December 2020 | Additions and disposals due to changes in the scope of consolidation and reclassifications | Arising during the period | Utilised | Net exchange differences and interest cost | Balance at 31 December 2021 |
| Provisions for project completion | 37.515 | 45 | 17.892 | (11.223) | 467 | 44.696 |
| Provisions for management and other fees | 7.667 | - | 4.155 | (2.932) | 55 | 8.945 |
| Provisions for other transactions | 165.232 | - | 21.806 | (43.478) | 54 | 143.614 |
| **Total** | **210.414** | **45** | **43.853** | **(57.633)** | **576** | **197.255** |

"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.

## Other liabilities

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

| | EUR thousand | | | |
|---|---|---|---|---|
| | 31/12/2021 | | 31/12/2020 | |
| | Non-current | Current | Non-current | Current |
| Payable to associates | - | 82.252 | - | 109.025 |
| Salaries payable | - | 34.504 | - | 27.889 |
| Tax payables | - | 63.906 | - | 67.070 |
| Other non-trade payables | 21.398 | 32.340 | 12.129 | 14.260 |
| Guarantees and deposits received | 1.966 | 1.429 | 1.965 | 2.543 |
| Other | - | 212 | - | 201 |
| **Total** | **23.364** | **214.643** | **14.094** | **220.988** |

# 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 2021 and 2020:

| | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| **Consolidated profit/(loss) for the year before tax from continuing operations** | **42.384** | **(127.121)** |
| Permanent differences related to continuing operations | (3.652) | 39.727 |
| Temporary differences | (19.131) | 15.967 |
| Offset of unused tax losses | (50.038) | (20.554) |
| **Tax loss (tax base)** | **(30.437)** | **(91.981)** |

Reconciliation of the accounting loss from continuing operations to income tax expense for 2021 and 2020:

| (EUR Thousand) | 2021 | 2020 |
|---|---|---|
| **Consolidated profit/(loss) for the year before tax from continuing operations** | **42.384** | **(127.121)** |
| Share of profit/(loss) of companies accounted for using the equity method, net of tax | 2.703 | (677) |
| Other permanent differences | (6.355) | 40.404 |
| Unrecognised tax losses offset in the year | (15.528) | (19.782) |
| Tax losses not recognised in the year as tax assets | 121.465 | 175.301 |
| **Base for calculating period income tax expense** | **144.669** | **68.125** |
| Income tax expense for the year | 29.060 | 17.390 |
| Tax credits and tax relief | - | 1 |
| Prior years' adjustments and other adjustments | 7.183 | 5.598 |
| **Income tax expense relating to continuing operations** | **36.243** | **22.989** |

Permanent difference relate to the profit or loss of companies accounted for using the equity method, amounting to EUR 2,703 thousand, and the remainder, for a negative EUR 6,355 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 | 2021 | 2020 |
|---|---|---|
| Spain | 25% | 25% |
| Saudi Arabia | 20% | 20% |
| Algeria | 26% | 26% |
| Argentina | 25% | 30% |
| Bulgaria | 10% | 10% |
| Canada | 27% | 27% |
| Colombia | 31% | 33% |
| US | 28% | 27% |
| Kuwait | 15% | 15% |
| Mexico | 30% | 30% |
| Peru | 30% | 30% |
| Poland | 19% | 19% |
| Qatar | 10% | 10% |
| Czech Republic | 19% | 19% |
| Slovakia | 21% | 21% |
| Turkey | 20% | 22% |

Income tax expense recognised in 2021 amounted to EUR 36,243 thousand and comprised

- EUR 22,258 thousand for the tax expense recognised by the companies for the Spanish tax group and the amount corresponding to their branches abroad.
- EUR 13,985 thousand relating to the tax expense recognised by the foreign and Spanish companies that do not form part of the Spanish tax group.

In addition to the income tax expense for 2021, an amount of EUR 1,148 thousand was recognised directly in equity in relation to the change in fair value of derivative financial instruments.

**Deferred taxes and tax losses**

Changes in **deferred tax assets**:

| | EUR thousand |
|---|---|
| **Balance at 31 December 2019** | **205.023** |
| Increases | 3.011 |
| Decreases | (58.971) |
| **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** | **105.201** |

The detail of the changes in deferred tax assets in 2021 and 2020 is as follows:

| | EUR thousand | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2021 | | | | | | |
| | Balance at 31/12/20 | Changes in the scope of consolidation | Charge/credit to profit or loss | Charge/credit to equity | Exchange rate effect | Transfers and other | Balance at 31/12/21 |
| **Tax credits** | **84.612** | **(3.781)** | **(12.808)** | **-** | **5.367** | **(19.611)** | **53.779** |
| 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** |

| | Miles de euros | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2020 | | | | | | |
| | Balance at 31/12/20 | Changes in the scope of consolidation | Charge/ credit to profit or loss | Charge/ credit to equity | Exchange rate effect | Transfers and other | Balance at 31/12/21 |
| **Tax credits** | **118.770** | **-** | **(21.237)** | **-** | **(7.850)** | **(5.071)** | **84.612** |
| Unused tax losses | 114.593 | - | (21.236) | | (7.850) | (5.071) | 80.436 |
| Tax credits | 4.177 | - | (1) | | | - | 4.176 |
| **Temporary differences** | **86.253** | **-** | **(26.032)** | **1.145** | **(1.986)** | **5.071** | **64.451** |
| **Total deferred tax assets** | **205.023** | **-** | **(47.269)** | **1.145** | **(9.836)** | **-** | **149.063** |

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 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 included in deferred tax assets at year-end 2021 are:

- The recognition and utilisation of accounting provisions with a tax effect when realised, for EUR 28,629 thousand.
- The difference between depreciation and amortisation for accounting and for tax purposes, of EUR 1,367 thousand.
- The difference in the timing of recognition of construction costs, amounting to EUR 11,051 thousand.
- The profit or loss of UTEs, the recognition of which for tax purposes is deferred for one year.

In 2021 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 2021.

Changes in **deferred tax liabilities** in 2021 and 2020:

| | EUR thousand |
|---|---|
| **Balance at 31 December 2019** | **95.125** |
| Increases | 1.202 |
| Decreases | (17.554) |
| **Balance at 31 December 2020** | **78.773** |
| Additions and disposals due to changes in the scope of consolidation (see Note 2.6) | 14.712 |
| Increases | 2.119 |
| Decreases | (20.344) |
| **Balance at 31 December 2021** | **75.260** |

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

| | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | | | | |
| | Balance at 31/12/2020 | Changes in the scope of consolidation | Charge/credit to profit or loss | Exchange rate effect | Transfers and other | Balance at 31/12/2021 |
| 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** |

| | Miles de euros | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | | | | |
| | Balance at 31/12/2019 | Changes in the scope of consolidation | Charge/credit to profit or loss | Exchange rate effect | Transfers and other | Balance at 31/12/2020 |
| Temporary differences | 95.125 | - | (8.897) | (7.455) | - | 78.773 |
| **Total deferred tax liabilities** | **95.125** | **-** | **(8.897)** | **(7.455)** | **-** | **78.773** |

Taxable temporary differences recognised in 2021, amounting to EUR 75,260 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 47,627 thousand.
- The difference in the timing of recognition of construction costs, amounting to EUR 11,437 thousand.
- The difference in the timing of revenue recognition, amounting to EUR 5,059 thousand.

Unused tax losses of Group companies available for offset in future tax returns amount to EUR 1,852,964 thousand. The breakdown by item and last year for offset is as follows:

| Year | EUR thousand |
|---|---|
| 2022 | 33.165 |
| 2023 | 43.682 |
| 2024 | 8.517 |
| 2025 | 14.193 |
| 2026 | 16.236 |
| 2027 | 335 |
| 2028 | 59 |
| 2029 | 26.435 |
| 2030 | 3.557 |
| 2031 | 18.982 |
| 2032 | - |
| 2033 | - |
| 2034 | 54 |
| 2035 | 32.604 |
| 2036 | 53 |
| No time limit | 1.655.092 |
| **Total** | **1.852.964** |

At 31 December 2021, the companies comprising the Spanish tax group had EUR 1,204,099 thousand of unused tax losses, EUR 11,695 thousand of unused double taxation credits and EUR 17,919 thousand of investment credits (reinvestment, R&D&i and other tax credits). No new tax credits for these items were recognised in 2021.

### Years open for review by the taxation authorities

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

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

In July 2020, the taxation authorities notified the Parent of the commencement of a tax audit, 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 |

The Parent's directors consider that the tax returns for all taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, any contingent tax liabilities that may arise would not have a material effect on the accompanying consolidated financial statements at 31 December 2021.

### Tax receivables and payables

Tax receivables and payables at 31 December 2021 and 2020:

| | EUR thousand | | | |
|---|---|---|---|---|
| | Current assets | | Current liabilities | |
| | 2021 | 2020 | 2021 | 2020 |
| Value added tax | 41.360 | 33.764 | 33.221 | 36.287 |
| Other taxes | 44.335 | 43.559 | 16.678 | 19.743 |
| Social Security | 48 | 45 | 14.007 | 11.040 |
| **Total** | **85.743** | **77.368** | **63.906** | **67.070** |

# Revenue and expenses

### Revenue

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

| Business activity | EUR thousand | | % change |
|---|---|---|---|
| | 2021 | 2020 | |
| Construction | 2.232.917 | 2.347.221 | -4,9% |
| Industrial | 165.536 | 166.281 | -0,4% |
| Services | 361.533 | 300.158 | 20,4% |
| Other | 18.618 | 17.067 | 9,1% |
| **Total revenue** | **2.778.604** | **2.830.727** | **-1,8%** |

| Business activity and type of customer | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | | | | |
| | Spain | | International | | Total | |
| | Public sector | Private sector | Public sector | Private sector | Public sector | Private sector |
| Construction | 290.702 | 89.524 | 1.491.311 | 361.380 | 1.782.013 | 450.904 |
| Industrial | - | 92.118 | 3.462 | 69956 | 3.462 | 162.074 |
| Services | 298.920 | 42.460 | 9.481 | 10672 | 308.401 | 53.132 |
| Other | 36 | 7.832 | 7.599 | 3.151 | 7.635 | 10.983 |
| **Total revenue** | **589.658** | **231.934** | **1.511.853** | **445.159** | **2.101.511** | **677.093** |

The geographical distribution of revenue in 2021 and 2020 is provided in the following tables:

| Geographical area | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| US and Canada | 1.008.637 | 1.188.193 |
| Mexico | 10.480 | 49.846 |
| Chile | 284.030 | 389.914 |
| Peru | 84.453 | 50.130 |
| Colombia | 53.070 | 33.962 |
| Spain | 821.592 | 659.013 |
| Central and Eastern Europe | 380.238 | 324.009 |
| Other countries | 136.104 | 135.660 |
| **Total revenue** | **2.778.604** | **2.830.727** |

| | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| **Spanish market** | **821.592** | **659.013** |
| **International market:** | **1.957.012** | **2.171.714** |
| European Union | 381.676 | 321.303 |
| Eurozone | 48.844 | 40.891 |
| Non-eurozone | 332.832 | 280.412 |
| Other | 1.575.336 | 1.850.411 |
| **Total** | **2.778.604** | **2.830.727** |

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

| Segment | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | | 2020 | | |
| | Revenue from external customers | Inter-segment revenue | Total revenue | Revenue from external customers | Inter-segment revenue | Total revenue |
| Construction | 2.232.917 | 10.437 | 2.243.354 | 2.347.221 | 19.647 | 2.366.868 |
| Industrial | 165.536 | 3.874 | 169.410 | 166.281 | 7.371 | 173.652 |
| Services | 361.533 | 708 | 362.241 | 300.158 | 1.168 | 301.326 |
| Other | 18.618 | 5.376 | 23.994 | 17.067 | 5.224 | 22.291 |
| Adjustments to and eliminations of inter-segment revenue | - | (20.395) | (20.395) | - | (33.410) | (33.410) |
| **Total** | **2.778.604** | **-** | **2.778.604** | **2.830.727** | **-** | **2.830.727** |

### Other operating income

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

### Cost of sales

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

### Staff costs

Staff costs in 2021 totalled EUR 814,608 thousand (2020: EUR 755,130 thousand).

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

To cover the obligation, the 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 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:

| | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| External services | (238.141) | (221.339) |
| Taxes other than income tax | (10.708) | (9.913) |
| Other operating expenses | (236.368) | (236.923) |
| **Total** | **(485.217)** | **(468.175)** |

### Finance income

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

| | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| Interest income from other companies | 16.031 | 17.837 |
| Income from equity investments | 1.411 | 20 |
| Restructuring income | 99.481 | - |
| **Total** | **116.923** | **17.857** |

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

Restructuring income is the difference between the nominal amount of the original notes (i.e. EUR 592,888 thousand) and the fair value of the new notes and shares (see Note 2.5.6).

### Finance costs

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

| | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| On the financing of current transactions | (64.724) | (52.552) |
| On finance leases and deferred purchases of non-current assets | (2.006) | (2.085) |
| On the discounting of provisions | 311 | 167 |
| Restructuring fees | (24.106) | - |
| **Total** | **(90.525)** | **(54.470)** |

Restructuring fees include the costs related to the issue of the New Notes of EUR 21,162 thousand and the unaccrued arrangement expenses of the original notes of EUR 2,944 thousand (see Note 2.5.6).

### Exchange differences (gains and losses)

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



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

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

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

The Group's share of losses in 2021 amounted to EUR 2,703 thousand (2020: EUR 677 thousand of profit) (see Note 3.7).

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

In 2021, this statement of profit or loss item amounted to EUR 2,319 thousand, which included gains of Euros 46,861 thousand on the sale of Nuevo Hospital de Toledo, S.A. and EUR 7,699 thousand on the sale of Sociedad Concesionaria Aguas de Navarra, S.A.

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

Also, at 31 December 2021, an impairment of EUR 18,587 thousand was recognised on the profit participating loan held with Aeropistas, S.L. (see Note 4.6.2.2).

This, coupled with adjustments to profit or loss from previous disposals (OHL Concesiones) and other provisions recognised, left a total for this item of EUR 2,319 thousand.

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

### Foreign currency balances

Foreign currency transactions carried out by Group companies in 2021 by currency and the main operating income and expense items, translated to euros at the average exchange rates, are as follows:

| Currency | EUR thousand | | | |
|---|---|---|---|---|
| | Sales | Other income | Cost of sales | Other operating expenses |
| Czech koruna | 299.695 | 601 | 299.758 | 13.140 |
| Norwegian krone | 34.244 | 1.350 | 29.776 | 7.614 |
| Swedish krona | 3.740 | 934 | 1.453 | 1.833 |
| US dollar | 1.083.059 | 2.786 | 536.891 | 242.652 |
| Pound sterling | 18.343 | 192 | 12.694 | 10.539 |
| Chilean peso | 220.290 | 3.210 | 157.168 | 31.177 |
| Colombian peso | 53.070 | 2.403 | 29.071 | 13.029 |
| Mexican peso | 7.797 | 15.801 | 4.102 | 14.887 |
| Saudi riyal | 12.433 | 2.629 | 4.670 | 6.894 |
| Peruvian sol | 73.184 | 21.039 | 31.482 | 15.433 |
| Other currencies | 29.942 | 811 | 7.795 | 15.765 |
| **Total** | **1.835.797** | **51.756** | **1.114.860** | **372.963** |

Foreign currency balances at 31 December 2021 and 2020 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:

| | EUR thousand | | |
|---|---|---|---|
| | 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 | | |
|---|---|---|---|
| | 2020 | | |
| Currency | Non-current financial assets | Current financial assets | Trade and other receivables |
| Czech koruna | 74 | - | 84.603 |
| Norwegian krone | 196 | 125 | 10.191 |
| Swedish krona | - | 21 | 2.179 |
| Kuwaiti dinar | 38 | - | 13.338 |
| Canadian dollar | 27.381 | 95 | 15.324 |
| US dollar | 2.287 | 50.853 | 280.853 |
| Chilean peso | 34 | 51 | 101.420 |
| Colombian peso | - | 1.034 | 60.069 |
| Mexican peso | 104 | 4.197 | 78.150 |
| Saudi riyal | 1.321 | 195 | 17.203 |
| Qatari riyal | 2.695 | - | 16.102 |
| Peruvian sol | - | 312 | 36.449 |
| Other currencies | 240 | 1.000 | 36.577 |
| **Total** | **34.370** | **57.883** | **752.458** |

Foreign currency payables at 31 December 2021 and 2020 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:

| | EUR thousand | | |
|---|---|---|---|
| | 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 | | |
|---|---|---|---|
| | 2020 | | |
| Currency | Other financial liabilities | Trade and other payables | Other non-current and current liabilities |
| Czech koruna | 6.742 | 69.780 | 11.042 |
| Norwegian krone | - | 29.402 | 720 |
| Swedish krona | - | 27 | 230 |
| Kuwaiti dinar | - | 28.503 | 26 |
| US dollar | 7.242 | 481.218 | 30.044 |
| Chilean peso | - | 107.926 | 15.578 |
| Colombian peso | - | 95.919 | 1.014 |
| Mexican peso | - | 70.574 | 17.101 |
| Saudi riyal | - | 11.960 | 2.367 |
| Qatari riyal | - | 38.604 | - |
| Peruvian sol | - | 36.219 | 5.024 |
| Other currencies | - | 43.394 | 3.884 |
| **Total** | **13.984** | **1.013.526** | **87.030** |

## 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:

| | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| Change in provisions | (10.753) | 1.470 |
| Financial profit/(loss) | (20.543) | 119.261 |
| Share of profit/(loss) of companies accounted for using the equity method | 2.703 | (677) |
| **Total** | **(28.593)** | **120.054** |

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

### Investing activities

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

Payments for investments amounted to EUR 63,163 thousand.

Proceeds from the sale of investments totalled EUR 132,755 thousand, arising mainly from the disposals in the first half of the year of the investments in Nuevo Hospital de Toledo, Mantohledo and the Old War Office profit (see Note 3.7) and the sale in October of Sociedad Concesionaria Aguas de Navarra.

### Financing activities

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

Considering these cash inflows and outflows and net foreign exchange differences, cash and cash equivalents at 31 December 2021 amounted to EUR 507,455 thousand.



# Other disclosures

## 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 and Eje Aeropuerto, which are in the process of being liquidated, and activity of other concession businesses that are not relevant for the Group.

The following tables provide basic segment information for 2021 and 2020.

| | EUR thousand | | | | |
|---|---|---|---|---|---|
| | 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% | n/a | 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% | n/a | 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 | 388.037 | 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 | 749.050 | 3.062.375 |
| Total liabilities | 1.651.987 | 295.113 | 106.633 | 388.293 | 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 |

(*) Calculated using internal criteria, which in certain cases differ from IAS 7.
(**) EBITDA is calculated as operating profit/(loss) plus amortisation and depreciation, and changes in provisions.

| | EUR thousand | | | | |
|---|---|---|---|---|---|
| | 2020 | | | | |
| | Construction | Industrial | Services | Other | Total Group |
| Revenue | 2.347.221 | 166.281 | 300.158 | 17.067 | 2.830.727 |
| EBITDA | 62.210 | 10.801 | 15.548 | (21.044) | 67.515 |
| Margin, % | 2,7% | 6,5% | 5,2% | n/a | 2,4% |
| Depreciation and amortisation | (46.555) | (3.195) | (6.925) | (19.377) | (76.052) |
| EBIT | 15.655 | 7.606 | 8.623 | (40.421) | (8.537) |
| Margin, % | 0,7% | 4,6% | 2,9% | n/a | -0,3% |
| Finance income and costs | (8.915) | 1.963 | (3.211) | (26.450) | (36.613) |
| Income tax expense | 895 | 3.155 | (1.610) | (25.429) | (22.989) |
| Current assets | 1.495.840 | 164.932 | 87.690 | 268.745 | 2.017.207 |
| Current liabilities | 1.474.859 | 269.512 | 86.615 | 30.318 | 1.861.304 |
| Total assets | 1.896.999 | 180.253 | 103.011 | 974.773 | 3.155.036 |
| Total liabilities | 1.592.889 | 302.483 | 89.252 | 710.140 | 2.694.764 |
| Operating cash flow | (45.249) | (30.672) | 2.107 | (81.975) | (155.789) |
| Change in net borrowings | 34.644 | 15.848 | 1.367 | 86.686 | 138.545 |
| Investments and other | 10.605 | 14.824 | (3.474) | (4.711) | 17.244 |
| Investments in associates and joint ventures and additions to non-current assets | 31.012 | 34 | 4.767 | 16.489 | 52.302 |

(*) Calculated using internal criteria, which in certain cases differ from IAS 7.
(**) EBITDA is calculated as operating profit/(loss) plus amortisation and depreciation, and changes in provisions.

Breakdown of the main items and most significant amounts included in "Other" at 31 December 2021 and 2020:

- Operating loss in the year amounted to EUR 38,529 thousand, mostly due to corporate overheads of EUR 42,232 thousand.
- Total assets stood at EUR 749,050 thousand and includes mainly the following items:
  - Financial assets in concession operators in liquidation, relating mostly to CEMONASA for EUR 185,938 thousand (see Note 3.6).
  - Financial interest in the Canalejas Project, for EUR 198,245 thousand (see Note 3.7).
  - Collection rights on the deferred payment for the sale of Old War Office, for EUR 64,736 thousand (see Note 3.7).
  - Financial interest in concession operator Centre Hospitalier de l'Université de Montréal (CHUM), for EUR 32,513 thousand which was reclassified during the year to non-current assets held for sale (see Note 3.8.).
  - Cash and other current financial assets (excluding the current financial assets reclassified for CEMONASA, as explained above), for EUR 227,734 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".

| | EUR thousand | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 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 | 2.244 | 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 |

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

| | EUR thousand | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2020 | | | | | | | | |
| | US and Canada | Mexico | Chile | Peru | Colombia | Spain | Central and Eastern Europe | Other countries | Total Group |
| Revenue | 1.188.193 | 49.846 | 389.914 | 50.130 | 33.962 | 659.013 | 324.009 | 135.660 | 2.830.727 |
| EBITDA | 57.148 | 5.894 | 26.220 | 5.018 | (3.042) | (27.325) | 8.615 | (5.013) | 67.515 |
| Margin, % | 4,8% | 11,8% | 6,7% | 10,0% | -9,0% | -4,1% | 2,7% | -3,7% | 2,4% |
| EBIT | 23.026 | 6.292 | 20.677 | 1.243 | (4.184) | (67.042) | 6.136 | 5.315 | (8.537) |
| Margin, % | 1,9% | 12,6% | 5,3% | 2,5% | -12,3% | -10,2% | 1,9% | 3,9% | -0,3% |
| Profit/(loss) after tax (attributable to the Parent) | 14.630 | (12.164) | 33.573 | 1.227 | (10.915) | (180.286) | (143) | 2.857 | (151.221) |
| Margin, %n | 1,2% | -24,4% | 8,6% | 2,4% | -32,1% | -27,4% | 0,0% | 2,1% | -5,3% |
| Trade receivables (net of allowances and advances) | 111.404 | 49.350 | 73.979 | (46.844) | (233) | 161.498 | 103.438 | 9.868 | 462.460 |
| Headcount at year-end | 1.913 | 466 | 3.996 | 623 | 437 | 11.180 | 1.502 | 308 | 20.425 |
| Short-term backlog | 1.849.786 | 21.615 | 338.741 | 189.850 | 110.126 | 1.249.825 | 536.458 | 209.022 | 4.505.423 |
| Long-term backlog | - | - | 52.102 | - | - | 404.642 | - | - | 456.744 |
| Total backlog | 1.849.786 | 21.615 | 390.843 | 189.850 | 110.126 | 1.654.467 | 536.458 | 209.022 | 4.962.167 |

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

# Risk management policy

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

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

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

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

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

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

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

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

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

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

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

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

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

### Project management risk

This risk is defined as the potential breach by a customer of its contractual obligations, e.g. the delay or failure to recognise work performed or a restoration of financial equilibrium that affects profitability.

### Contracting risk

This is the risk of not identifying market opportunities in time or, after identifying an opportunity, the risk of not defining the bid appropriately due to a lack of resources or qualifications.

### Price volatility and resource scarcity risks

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

### Market and business environment 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. Changes in foreign exchange rates and interest rates can affect both OHLA's expected margins on projects and the investment decisions of market agents. Meanwhile, political and territorial disputes among EU Member States add a further element of uncertainty.

### Personnel risk

This risk relates to the ability to satisfy the performance obligations of projects with the right personnel and at the right time.

### Systems and cybersecurity risk

Market and business trends, with continuous and rapid changes, require adapting systems to new realities quickly. This poses a risk for the Group if it does not have optimal systems.

Meanwhile, OHLA faces a risk of cyberattacks that could compromise the security and the operations of the Company's assets, potentially affecting the normal course of business operations and causing leaks of sensitive information.

### Litigation and arbitration risk

This is the risk that the outcome of lawsuits or arbitration proceedings related to disputes with customers will be rulings against OHLA's interests.

### 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.

At 31 December 2021, the Group did not have any interest rate hedges, since those of the prior year related to concession operators were removed from the consolidated statement of financial position following the disposals carried out (2020: 6.8% hedge and 86.7% of fixed-rate borrowings).

## 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 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 2021 and 2020. The potential impact is as follows:

| Currency | EUR thousand 2021 Profit/(loss) | Translation differences | Attributable equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|
| Czech koruna | - | (1.467) | (1.467) | - | (1.467) |
| Norwegian krone | (1.343) | (9) | (1.352) | - | (1.352) |
| Algerian dinar | 286 | - | 286 | - | 286 |
| Kuwaiti dinar | (2.220) | - | (2.220) | - | (2.220) |
| Canadian dollar | - | 1.657 | 1.657 | - | 1.657 |
| US dollar | (4.136) | (3.800) | (7.936) | - | (7.936) |
| Chilean peso | (1.257) | 572 | (685) | - | (685) |
| Colombian peso | (217) | (5.023) | (5.240) | - | (5.240) |
| Australian dollar | (55) | (362) | (417) | - | (417) |
| Mexican peso | 32 | 644 | 676 | - | 676 |
| Polish zloty | 17 | - | 17 | - | 17 |
| Pound sterling | 4.196 | - | 4.196 | - | 4.196 |
| Saudi Arabian riyal | 23 | 88 | 111 | - | 111 |
| Qatari riyal | (1.256) | - | (1.256) | - | (1.256) |
| Peruvian sol | (4.539) | 64 | (4.475) | - | (4.475) |
| **Total** | **(10.469)** | **(7.636)** | **(18.105)** | - | **(18.105)** |

| Currency | EUR thousand 2020 Profit/(loss) | Translation differences | Attributable equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|
| Czech koruna | - | (288) | (288) | - | (288) |
| Norwegian krone | (1.459) | (15) | (1.474) | - | (1.474) |
| Algerian dinar | 90 | - | 90 | - | 90 |
| Kuwaiti dinar | (1.137) | - | (1.137) | - | (1.137) |
| Canadian dollar | - | 4.028 | 4.028 | - | 4.028 |
| US dollar | (6.093) | (10.332) | (16.425) | - | (16.425) |
| Chilean peso | (2.659) | 1.326 | (1.333) | - | (1.333) |
| Colombian peso | 144 | (3.775) | (3.631) | - | (3.631) |
| Mexican peso | 214 | (809) | (595) | - | (595) |
| Polish zloty | (143) | - | (143) | - | (143) |
| Pound sterling | 304 | - | 304 | - | 304 |
| Saudi Arabian riyal | - | 439 | 439 | - | 439 |
| Qatari riyal | (1.485) | - | (1.485) | - | (1.485) |
| Peruvian sol | (424) | 117 | (307) | - | (307) |
| **Total** | **(12.648)** | **(9.309)** | **(21.957)** | - | **(21.957)** |

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 2021 and 2020, the impact would be as follows:

| Currency | EUR thousand 2021 Profit/(loss) | Translation differences | Attributable equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|
| Czech koruna | - | 1.333 | 1.333 | - | 1.333 |
| Norwegian krone | 1.221 | 9 | 1.230 | - | 1.230 |
| Algerian dinar | (261) | - | (261) | - | (261) |
| Kuwaiti dinar | 2.018 | - | 2.018 | - | 2.018 |
| Canadian dollar | - | (1.506) | (1.506) | - | (1.506) |
| US dollar | 3.760 | 3.454 | 7.214 | - | 7.214 |
| Chilean peso | 1.144 | (521) | 623 | - | 623 |
| Colombian peso | 198 | 4.566 | 4.764 | - | 4.764 |
| Australian dollar | 49 | 329 | 378 | - | 378 |
| Polish zloty | (15) | - | (15) | - | (15) |
| Pound sterling | (3.814) | - | (3.814) | - | (3.814) |
| Mexican peso | (29) | (585) | (614) | - | (614) |
| Saudi Arabian riyal | (21) | (80) | (101) | - | (101) |
| Qatari riyal | 1.143 | - | 1.143 | - | 1.143 |
| Peruvian sol | 4.127 | (58) | 4.069 | - | 4.069 |
| **Total** | **9.520** | **6.941** | **16.461** | - | **16.461** |

| Currency | EUR thousand 2020 Profit/(loss) | Translation differences | Attributable equity | Non-controlling interests | Total equity |
|---|---|---|---|---|---|
| Czech koruna | - | 262 | 262 | - | 262 |
| Norwegian krone | 1.326 | 14 | 1.340 | - | 1.340 |
| Algerian dinar | (81) | - | (81) | - | (81) |
| Kuwaiti dinar | 1.033 | - | 1.033 | - | 1.033 |
| Canadian dollar | - | (3.662) | (3.662) | - | (3.662) |
| US dollar | 5.539 | 9.392 | 14.931 | - | 14.931 |
| Chilean peso | 2.417 | (1.205) | 1.212 | - | 1.212 |
| Colombian peso | (130) | 3.432 | 3.302 | - | 3.302 |
| Polish zloty | 130 | - | 130 | - | 130 |
| Pound sterling | (277) | - | (277) | - | (277) |
| Mexican peso | (195) | 735 | 540 | - | 540 |
| Saudi Arabian riyal | - | (400) | (400) | - | (400) |
| Qatari riyal | 1.350 | - | 1.350 | - | 1.350 |
| Peruvian sol | 386 | (107) | 279 | - | 279 |
| **Total** | **11.498** | **8.461** | **19.959** | - | **19.959** |

## 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 2021 were:

| | EUR thousand |
|---|---|
| Non-current financial assets and concession infrastructure | 145.052 |
| Trade and other receivables | 1.190.442 |
| Investments in financial assets (see Note 3.6.) | 334.781 |
| Cash and cash equivalents | **507.455** |

Non-current financial assets and concession infrastructure

Non-current financial assets includes net loans to associates amounting to EUR 52,460 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 1,026,578 thousand, of which 67.9% 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 32.1% 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 accordance IFRS 9 *Financial Instruments*, the Group recognised an allowance for expected credit losses of EUR 5,000 thousand (see Note 2.7.7).

## Liquidity risk

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

a. difficulties renewing the Group's guarantee facilities;
b. impossibility of refinancing the Notes under economically viable terms and conditions;
c. impact of Covid-19;
d. downgrades to the Group's credit rating; and
e. losses due to internal factors on loss-making projects

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

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

The Restructuring (see Note 2.5 for further details) **was completed on 28 June 2021 and considerably changed the Group**'s liquidity, which in addition was further strengthened by:

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

As a result, the Group's liquidity position at 31 December 2021, comprising cash and cash equivalents and current financial assets, stood at EUR 842,236 thousand, of which the Group has received a total of EUR 160,155 thousand (see Note 3.6), broken down as follows:

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

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

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

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 (see Note 5).

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

Against this backdrop, the Group's directors, based on the 2022 business plan (and considering the high level of execution of the 2021 business plan), which must be followed closely, estimate that profitability can improve and that liquidity can increase.

Key highlights of the business plan include

i. Revenue of over EUR 3,000 million, with gross margins ranging from 6% to 7% and continued recovery in profitability on projects begun in 2021. This would leave scope to deliver EBITDA of over EUR 110 million and an EBITDA margin of approximately 3.7%.

ii. Contract vs. project management, strictly controlling and endeavouring to optimise the Group's production and overhead costs.

iii. Order intake of around EUR 3,500 million, allowing for coverage of the order backlog and ensuring that the Group grows/maintains its levels of activity.

iv. Active management of guarantee and bonding facilities, cash criteria in decision-making and focus on generating cash flows from projects, with ongoing monitoring of working capital.

v. Disposals of non-core assets (e.g. concession operator Centre Hospitalier de l'Université de Montréal) and receipt of outstanding balances on prior disposals (Old War Office).

vi. Promotion of the concession business through Senda Infraestructuras, hoping to be awarded two new concession projects in 2022.

However, certain circumstances could give rise to uncertainties regarding achievement of the business plan for 2022 and result in deviations (e.g. lower-than-expected order intake, working capital shortfalls). The main ones include the impact of the Covid-19-related health crisis on business performance (see Note 2.4) if there is another wave, and the ongoing conflict in Europe, which could jeopardise the fledging recovery by the global economy, potentially affecting OHLA Group's forecasts for 2022.

# Number of employees

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

| Professional category | Average number of employees | |
|---|---|---|
| | 31/12/2021 | 31/12/2020 |
| Senior managers/executives | 86 | 74 |
| Middle managers | 1.179 | 1.599 |
| Other line personnel | 2.758 | 2.497 |
| Clerical staff | 575 | 651 |
| Other employees | 17.359 | 15.081 |
| **Total** | **21.957** | **19.902** |
| Permanent employees | 15.692 | 13.476 |
| Temporary employees | 6.265 | 6.426 |
| **Total** | **21.957** | **19.902** |
| Men | 10.515 | 10.849 |
| Women | 11.442 | 9.053 |
| **Total** | **21.957** | **19.902** |

The average number of employees with a disability of a severity equal to or greater than 33% in 2021 and 2020 was 398 and 382, respectively.

# Related party transactions

Relationships are considered to exist in transactions carried out with agents outside the Group, but with which there is a strong relationship according to the definitions and criteria of the Spanish Ministry of Economy and Finance order EHA/3050/2004, of 15 September, and the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores) Circular 1/2005, of 1 April.
The following table sets out related party transactions carried out in 2021 and 2020:

| | EUR thousand | | | |
|---|---|---|---|---|
| | 2021 | % of total | 2020 | % of total |
| **Revenue and expenses** | | | | |
| Revenue | 15.995 | 0,6% | 33.629 | 1,2% |
| Other operating income | 43 | 0,0% | 100 | 0,2% |
| Finance income | - | 0,0% | 4.607 | 25,8% |
| Cost of sales | 413 | 0,0% | 453 | 0,0% |
| Other operating expenses | 2.947 | 0,6% | 3.225 | 0,7% |
| **Other transactions** | | | | |
| Repayment or cancellation of loans granted | 55.369 | - | 52 | - |
| Other transactions | 404 | - | 437 | - |

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

| Taxpayer identification number (CIF) | Related party | Item | Group company | EUR thousand |
|---|---|---|---|---|
| B-83393066 | Enérgya VM Gestión de Energía, S.L.U. | Revenue | Avalora Tecnologías de la Información, S.A. | 56 |
| A-87287223 | Espacio Caleido, S.A. | Revenue | Obrascón Huarte Lain, S.A. | 7.729 |
| A-80400351 | Espacio Information Tecnology, S.A.U. | Revenue | Avalora Tecnologías de la Información, S.A. | 12 |
| B-83962225 | Espacio Living Homes, S.L. | Revenue | Obrascón Huarte Lain, S.A. | 7.958 |
| PTP1509286F8 | Prefabricados y Transportes Pret, S.A. de C.V. | Revenue | Pacadar, S.A.U. | 240 |
| A-87287223 | Espacio Caleido, S.A. | Other operating income | OHL Servicios-Ingesan, S.A.U. | 2 |
| A-80400351 | Espacio Information Tecnology, S.A.U. | Other operating income | OHL Servicios-Ingesan, S.A.U. | 14 |
| B-85253888 | Villar Mir Energía, S.L.U. | Other operating income | OHL Servicios-Ingesan, S.A.U. | 27 |
| A-80400351 | Espacio Information Tecnology, S.A.U. | Cost of sales | Avalora Tecnologías de la Información, S.A. | 413 |
| B-83393066 | Enérgya VM Gestión de Energía, S.L.U. | Other operating expenses | Agrupación Guinovart Obras y Servicios Hispania, S.A. | 1 |
| B-83393066 | Enérgya VM Gestión de Energía, S.L.U. | Other operating expenses | Construcciones Adolfo Sobrino, S.A. | 3 |
| B-83393066 | Enérgya VM Gestión de Energía, S.L.U. | Other operating expenses | Asfaltos y Construcciones Elsan, S.A. | 4 |
| B-83393066 | Enérgya VM Gestión de Energía, S.L.U. | Other operating expenses | OHL Servicios-Ingesan, S.A.U. | 13 |
| B-83393066 | Enérgya VM Gestión de Energía, S.L.U. | Other operating expenses | Chemtrol Proyectos y Sistemas, S.L. | 15 |
| B-83393066 | Enérgya VM Gestión de Energía, S.L.U. | Other operating expenses | Obrascón Huarte Lain, S.A. | 53 |
| B-83393066 | Enérgya VM Gestión de Energía, S.L.U. | Other operating expenses | Pacadar, S.A.U. | 224 |
| A-80400351 | Espacio Information Tecnology, S.A.U. | Other operating expenses | Pacadar, S.A.U. | 67 |
| JSE110223AT0 | Jetflight Services, S.A. de C.V. | Other operating expenses | Obrascón Huarte Lain, S.A. | 58 |
| A-85255370 | Grupo Ferroatlántica, S.A.U. | Other operating expenses | Pacadar, S.A.U. | 1 |
| B-82607839 | Promociones y Propiedades Inmobiliarias Espacio, S.L.U. | Other operating expenses | Obrascón Huarte Lain, Desarrollos, S.A. | 65 |
| A-80400351 | Espacio Information Tecnology, S.A.U. | Management or partnership agreements | Obrascón Huarte Lain, S.A. | 2.421 |
| B-80209232 | Inse Rail, S.L. | Management or partnership agreements | Obrascón Huarte Lain, S.A. | 22 |
| **Other transactions** | | | | |
| A-82500257 | Grupo Villar Mir, S.A.U. | Repayment or cancellation of loans granted | Obrascón Huarte Lain, S.A. | 53.769 |
| A-82500257 | Grupo Villar Mir, S.A.U. | Repayment or cancellation of loans granted | Obrascón Huarte Lain, Desarrollos, S.A. | 1.600 |
| A-80400351 | Espacio Information Tecnology, S.A.U. | Acquisitions of intangible assets | Obrascón Huarte Lain, S.A. | 404 |

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

| | EUR thousand | | | |
|---|---|---|---|---|
| | 31/12/2021 | % of total | 31/12/2020 | % of total |
| **Non-current assets** | | | | |
| Other loans | 34.831 | 24,5% | - | - |
| **Current assets** | | | | |
| Advances to suppliers and subcontractors | | | | |
| Trade receivables | 2.566 | 0,2% | 23.959 | 2,5% |
| Other receivables | - | 0,0% | 3.246 | 6,9% |
| Other loans | 11.150 | 7,4% | 151 | 1,0% |
| Other current assets (see Note 3.10.) | - | 0,0% | 138.592 | 107,7% |
| **Current liabilities** | | | | |
| Advances received from customers | 541 | 0,1% | 10.753 | 2,6% |
| Trade payables | 525 | 0,1% | 420 | 0,1% |
| Notes payable | 40 | 0,1% | 151 | 0,3% |
| Other non-trade payables | 11 | 0,0% | 293 | 0,1% |

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

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

# Backlog

The Group's backlog at 31 December 2021 stood at EUR 5,807,540 thousand (2020: EUR 4,962,167 thousand).

The breakdown by activity and geographical market is as follows:

| Business activity | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | | 2020 | | |
| | Short-term | Long-term | Total | Short-term | Long-term (*) | Total |
| Construction | 4.796.160 | - | 4.796.160 | 3.987.984 | - | 3.987.984 |
| Industrial | 75.861 | - | 75.861 | 122.605 | - | 122.605 |
| Services | 508.975 | - | 508.975 | 394.834 | - | 394.834 |
| Other | - | 426.544 | 426.544 | - | 456.744 | 456.744 |
| **Total backlog** | **5.380.996** | **426.544** | **5.807.540** | **4.505.423** | **456.744** | **4.962.167** |

(*) Restated

Of the total short-term backlog at 31 December 2021, EUR 4,480,763 thousand related to public sector customers and EUR 900,233 thousand to private sector customers (2020: EUR 3,837,251 thousand and EUR 668,172 thousand, respectively).

| Geographical area | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | 2021 | | | 2020 | | |
| | Short-term | Long-term | Total | Short-term | Long-term | Total |
| US and Canada | 2.162.385 | - | 2.162.385 | 1.849.786 | - | 1.849.786 |
| Mexico | 31.729 | - | 31.729 | 21.615 | - | 21.615 |
| Chile | 407.033 | 426.544 | 833.577 | 338.741 | 52.102 | 390.843 |
| Peru | 432.436 | - | 432.436 | 189.850 | - | 189.850 |
| Colombia | 113.002 | - | 113.002 | 110.126 | - | 110.126 |
| Spain | 1.288.673 | - | 1.288.673 | 1.249.825 | 404.642 | 1.654.467 |
| Central and Eastern Europe | 520.773 | - | 520.773 | 536.458 | - | 536.458 |
| Other countries | 424.965 | - | 424.965 | 209.022 | - | 209.022 |
| **Total backlog** | **5.380.996** | **426.544** | **5.807.540** | **4.505.423** | **456.744** | **4.962.167** |

At 31 December 2021, the international backlog represented 78% of the total (2020: 67%).

Revenue receivable from performance obligations not yet satisfied at year-end 2021 amounted to EUR 5,807,540 thousand, recognised in the Group's total backlog.

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

| Concepto | EUR thousand | | | | |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | Other years | Total backlog |
| Construction | 2.205.366 | 1.719.341 | 645.193 | 226.260 | 4.796.160 |
| Other | 375.156 | 125.512 | 55.976 | 454.736 | 1.011.380 |
| **Total** | **2.580.522** | **1.844.853** | **701.169** | **680.996** | **5.807.540** |

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).

# Contingent assets and liabilities

## Contingent assets

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

## Contingent liabilities and guarantees

### Guarantees provided to third parties

"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.

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

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

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

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

#### Joint and several personal financial guarantees

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

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

### Investment commitments

Under their concession contracts, concession operators must make specified investments. The decrease in investment commitments was the result of the sale of Sociedad Concesionaria Aguas de Navarra S.A., which was offset with the award on 7 December 2021 of the Biobío hospital network concession (Chile), the operator of which is current being incorporated.

## Litigation

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

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

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

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

  The arbitration court is yet to decide on the merits of the claims and the value of any claim that may in the event be upheld. So far, the following items have been quantified: (i) the guarantee enforced against the joint venture (QAR 880 million, EUR 211.5 million), a fixed amount that in any case operates as a claim in favour of the joint venture; (ii) executed but still unpaid scope modifications, for which an arbitration award has already been rendered (QAR 182 million, EUR 43.7 million) - again, a fixed amount that operates as a claim in favour of the joint venture; and (iii) defect repair costs (QAR 124 million, EUR 29.8 million), a fixed amount that operates as a claim in favour of QF. No award ordering payment has yet been made. Any such award will be rendered once all the parties' claims have been determined and evaluated.

  However, in the light of the latest legal opinions provided by third parties and the views of the Parent's management, and in view of the timeframes within which an 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 293.6 million), or, in the alternative, KWD 90.4 million (EUR 263.8 million), plus, in any event, KWD 2.3 million (EUR 6.7 million), based on an assessment by independent consultants. Kuwait filed a counter-memorial, containing a counter-claim for KWD 32.1 million (EUR 93.7 million). The Parent's directors, in the light of legal opinions provided by third parties and their own views, believe it is unlikely that the arbitration award will cause any economic loss to the Group.

- 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 360.5 million). Kuwait filed an initial counter-claim for QAR 1,000 million (EUR 240.3 million). The arbitration court declared that it was not competent to hear the case because at the time the request for arbitration was filed the requirements under the arbitration clause had not been met. The joint venture then filed a new request for arbitration seeking damages initially estimated at QAR 1,400 million (EUR 336.5 million). Qatar Railways then counter-claimed for damages initially estimated at QAR 860 million (EUR 206.7 million).

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

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

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

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

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

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

- In December 2019, in case 882/2019 in Madrid Court of First Instance No. 10, a defence was filed to the claim against OHL brought by the funds **TDA 2015-1 Fondo de Titulización, TDA 2017-2 Fondo de Titulización, Bothar Fondo de Titulización** and **Kommunalkredit Austria, Ag**. The claimants, as creditors, argue that the borrower was under certain obligations set out in the Sponsor Agreement entered into by the borrower as part of the project finance for a concession operator now in liquidation, **Autopista Eje Aeropuerto Concesionaria Española, S.A.U.** The value of the claim is EUR 212,433 thousand, in the form of a subordinated loan, contribution to equity, capital increase amount, or damages, plus EUR 70,869 thousand in late payment interest.

  **On 16 July 2021, the first-instance court dismissed the claimant funds' case in its entirety**. Meanwhile, on 17 September 2021, the request for clarification of the judgement submitted by the same parties was also dismissed in its entirety.

  The funds appealed the ruling, resulting in appeal 926/21, of the Madrid High Court. A date is yet to be appointed for judgment to be rendered on this matter.

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

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

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

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

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

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

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

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

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

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

In February 2022, the Supreme Court issued a ruling on appeal 90/2022. In it, the Supreme Court determined, and modified to some extent, the financial criteria for calculating the State liability.

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, an impairment loss of EUR 18,587 thousand was recognised.

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

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

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

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

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

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

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

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

Regarding the "Lezo Affair":

- Ancillary proceeding 3.

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

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

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

- Ancillary proceeding 8.

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

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

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

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

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

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

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

## Contingent liabilities

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

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

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

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

- On 10 March 2021, the **Peruvian competition authority** was asked to consider imposing a penalty on the Parent for alleged practices of "horizontal collusion" (i.e., price-fixing) in connection with government tenders in Peru in the period 2002-2016. The proposed fine would come to USD 51.0 million (EUR 45.1 million). On 17 November 2021, a first-instance decision was issued, imposing a penalty on the Group of UIT 28,268.88 (EUR 27.5 million). An appeal for judicial review was submitted, so the proceeding is still in the administrative phase. These administrative proceedings are still at the initial stage. So far, no sanction has been imposed against the Parent and at year-end 2021 the directors saw no reason to recognise any provision in this respect.

## Information on deferred payments to suppliers. Additional Provision Three. "Disclosure requirements of Law 15/2010, of 5 July""

Law 15/2010, of 5 July, establishes measures for combating late payment in commercial transactions, and the Spanish Accounting and Auditing Institute (ICAC) Resolution of 29 January 2016 implemented the disclosure requirement provided for in Additional Provision Three of that Law. This resolution repeals the immediately preceding resolution of 29 December 2010, which was based on the previous wording of Additional Provision Three of Law 15/2010, of 5 July.

Disclosures on average payment period, ratios of transactions paid and transactions outstanding, and total payments made and outstanding at 31 December 2021 and 2020 are as follows:

| | Days | |
|---|---|---|
| | 2021 | 2020 |
| Average supplier payment period | 78 | 80 |
| Ratio of transactions paid | 77 | 79 |
| Ratio of transactions outstanding | 86 | 82 |

| | EUR thousand | |
|---|---|---|
| | 2021 | 2020 |
| Total payments made | 455.369 | 417.456 |
| Total payments outstanding | 92.048 | 81.363 |

Average supplier payment period, excluding intragroup transactions, 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.





## 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 15 June 2020, 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 the discharge of their duties as directors at one million four hundred thousand euros (EUR 1,400,000), 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 2021, 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 1,546 thousand. Remuneration exceeded the Maximum Annual Remuneration, since the Board of Directors and the Board committees had a great deal more business to address in 2021 than usual, mostly due to the completion of the Group's financial restructuring. In 2021, 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 2021 by each director. Following is an itemised detail of the remuneration earned by each director in their capacity as such in 2021, excluding the remuneration accrued for executive duties, which is disclosed later:

| Director | Attendance fees (EUR thousand) |
|---|---|
| Luis Fernando Martín Amodio Herrera (non-executive proprietary) | 150 |
| Julio Mauricio Martín Amodio Herrera (non-executive proprietary) | 130 |
| Luis Fernando Amodio Giombini (non-executive proprietary) (**) | 54 |
| Juan Villar-Mir de Fuentes (non-executive proprietary) | 130 |
| Silvia Villar-Mir de Fuentes (non-executive proprietary) (*) | 96 |
| Carmen de Andrés Conde (non-executive independent) | 167 |
| César Cañedo-Argüelles Torrejón (non-executive independent) | 130 |
| Francisco García Martín (non-executive independent) (**) | 77 |
| Juan Antonio Santamera Sánchez (non-executive independent) | 130 |
| Juan Jose Nieto Bueso (non-executive independent) (*) | 152 |
| Reyes Calderón Cuadrado (non-executive independent) | 175 |
| **Total** | **1.391** |

(*) Attendance fees accrued until 29 July 2021, the date of resignation as director
(**) Attendance fees accrued from 29 July 2021, the date of appointment as director

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 2021 amounted to EUR 155 thousand (2020: EUR 33 thousand).

In 2021, the executive director accrued total remuneration for his executive duties of EUR 2,613 thousand (2020: EUR 2,234 thousand). In 2021, he was paid EUR 28 thousand for other items (2020: EUR 0), of which EUR 10 thousand were for insurance premiums. No contributions were made to the pension scheme in 2021 or 2020.

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 368 thousand in 2021.

### Remuneration of senior executives

Remuneration accrued by the Company's senior executives in 2021, excluding those who are also members of the Board of Directors (see above), amounted to EUR 14,401 thousand (2020: EUR 11,799 thousand), of which EUR 5,452 thousand was variable remuneration (2020: EUR 5,159 thousand).

### Conflicts of interest

At 31 December 2021, 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 2021.

## 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 2021 and 2020 were as follows:

| | EUR thousand | | | | | |
|---|---|---|---|---|---|---|
| | Principal auditor | | Other auditors | | Total | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Audit of financial statements | 1.095 | 1.241 | 588 | 700 | 1.683 | 1.941 |
| Other assurance services | 261 | 225 | 151 | 5 | 412 | 230 |
| **Total audit and related services** | **1.356** | **1.466** | **739** | **705** | **2.095** | **2.171** |
| Tax advisory services | 95 | 109 | 3 | 23 | 98 | 132 |
| Other services | 101 | 148 | 4 | 4 | 105 | 152 |
| **Total professional services** | **196** | **257** | **7** | **27** | **203** | **284** |
| **Total** | **1.552** | **1.723** | **746** | **732** | **2.298** | **2.455** |

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.



# Events after the reporting period

- On 4 February 2022, 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 Cercanías Móstoles de Navalcarnero, S.A. (**CEMONASA**) for different reasons and payments received by this company from the Madrid regional government for investments made in major works and other, to repay its borrowings.

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

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

(ii) OHL Operaciones, S.A.U., a subsidiary of the Parent, launched a partial tender offer for a maximum principal amount of EUR 43,204 thousand (the Maximum Tender Amount, equal to a nominal amount of EUR 43,067 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 8 March 2022, in relation to the previous communication, OHLA disclosed the following to the market regarding the 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 7.25%, adjusted as explained in the tender offer announcement dated 4 February 2022 (the "Tender Offer Announcement").

(iii) The total amount paid to noteholders was EUR 44,582 thousand, of which EUR 43,204 thousand was principal of the note and EUR 1,378 thousand accrued interest payable.

- On 8 March 2022, ratings agency Moody's upgraded OHLA's corporate family rating (CFR) to B3, outlook positive, from Caa1. It also upgraded the notes issued by OHL Operaciones S.A.U. from Caa2 to B3 (two notches), also with outlook positive.

# 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.

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