CONSOLIDATED DIRECTOR'S REPORT • CONSOLIDATED ANNUAL ACCOUNTS

Integrated Annual Report

2020

OHL

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Message from the Chairman

Ladies and gentlemen,

Como todos ustedes conocen, 2020 ha sido un ejercicio protagonizado por As you all know, 2020 was a year characterised by a serious global pandemic and its major social and economic impact. But it was also a year of important transformations that will have an impact on our business fabric in the short and medium term and, therefore, on the growth model that will be increasingly supported by digitalisation and innovative and sustainable instruments.

Covid-19 has led us to face up to significant challenges. For this reason, I want to thank all the employees for the great effort and commitment they have shown, providing essential services to citizens in hospitals and care homes, and carrying out work on infrastructure, all of which was essential during the state of emergency.

In the context of the pandemic, the Company has set up a Crisis Committee to preserve, as a priority, the health of its employees, and has implemented a set of actions to limit its impact on the economic parameters of the Company. These include, after having reached an agreement with the legal representatives of the workers in Spain, the application of a furlough-type arrangement (Spanish ERTE). I would also like to make special mention of the voluntary reduction in the salary of the members of the Board of Directors, senior management, executives and managers.

At operating level, OHL's sales were in line with those of 2019, reaching a total figure of EUR 2,831 million, showing a slight decrease of 4.4%, while EBITDA, which confirms the consistency of profitability at operating level since the last quarter of 2018, stood at EUR 67.5 million, 4.2% more than in 2019. Total new contracts, which in the year amounted to EUR 2,761 million, were 3.5% higher than in 2019, which allowed us to end the year with a total backlog of EUR 4,962 million, thanks to the sound performance of the US market.

Despite the constant and verifiable operational improvement, the Company's net earnings were negative at EUR -151.2 million. This parameter was impacted, apart from the EUR 35 million of EBITDA affected by the pandemic, by the tourism projects of the Development division, and by the valuation adjustments of the debt of the Villar Mir Group and Pacadar with OHL.

Without any doubt, 2020 was a year of structural change for OHL. In May, my brother Mauricio and I entered into the Company's shareholder structure

LUIS FERNANDO MARTÍN AMODIO HERRERA
Chairman of the Board of Directors

through the acquisition of 16%, thereby becoming long-term investors.

Subsequently, as you all know, I was designated Chairman by the Board of Directors at its meeting held on 15 June. I am very honoured to take on the leadership of a company which in 2021 will turn 110 years old and has left its mark, through the implementation of major infrastructure projects, on five continents.

The Company has attained this position thanks to its firm commitment to a responsible business model, including sustainability criteria in its contracts and providing solutions and construction processes that are innovative, more resilient and demanding in terms of energy efficiency and circular economy criteria.

The commitment to transparency, sustainability and governance is evident, through its membership, since its launch in 2008, of the FSTE4Good Ibex stock index and its adherence to initiatives such as the Spanish Network of the United Nations Global Compact, the Spanish Business Council for Sustainable Development and the New Deal for Europe.

OHL has begun its process of normalisation after having undergone a process of transformation and internal renewal that started approximately three years ago. A process that culminated in our entrance in the Company's shareholder structure and in the refinancing agreement reached in 2021 by the Amodio family and the Villar Mir Group with the principal bondholders and benchmark banks, which must be ratified and approved by the shareholders at the Extraordinary General Meeting, and obtain other authorisations.

This refinancing process is complemented by the recapitalisation process, and together they will firmly shore up the Company. All this will allow us to address the business plan face on, confirming the commitment of OHL and its management team to return to the path of recovery and growth.

We are sure that, with the trust of the shareholders, the support of our investors and stakeholders and, above all, OHL's great human team, we will lead this great project that will be based on the pillars of sustainability, transparency and good governance, as major generators of value.

Chairman of the Board of Directors
Luis Fernando Martín Amodio Herrera

01
Value creation

Américo Vespucio urban toll road. Santiago de Chile, Chile.

Value creation model

OHL, a benchmark in the construction industry which is committed to global challenges, backs innovation and creates infrastructures that lay the foundations of a sustainable future.

The way we act

Our response to the global roadmap

We are commited to a sustainable growth model that exports, environmental and social value to those communities in which we are present and contributes to greater welfare, economic galvanisation and progress. All of which is aligned with international initiatives such as the United Nations* Sustainable Development Goals (SDGs) contributing directly to SDGs 8, 9, 11, 12 and 13

4,962.1
TOTAL BACKLOG

We analyse the challenges...

- Profitability and financial stability. Boosting EBITDA
- Management and control of financial and non-financial risks
- Proactive response to the demands of the market and shareholders
- Excellence in operations with maximun health and safety standars
- Innovation and climate change
- Digital transformation

...and seize the opportunities

A road to be explored full of opportunities

Our lines of business

Complementing each other in 3 main regions.

CONSTRUCTION

International benchmark in civil engineering construction.

INDUSTRIAL

ngineering and construction of turnkey industrial facilities

DEVELOPMENT

High quality singular projects in the tourism-hospitality industry.

CONCESSIONS

Almost two decades' experience managing infrastructure.

SERVICES

Benchmark in the facilities management and healthcare industry.

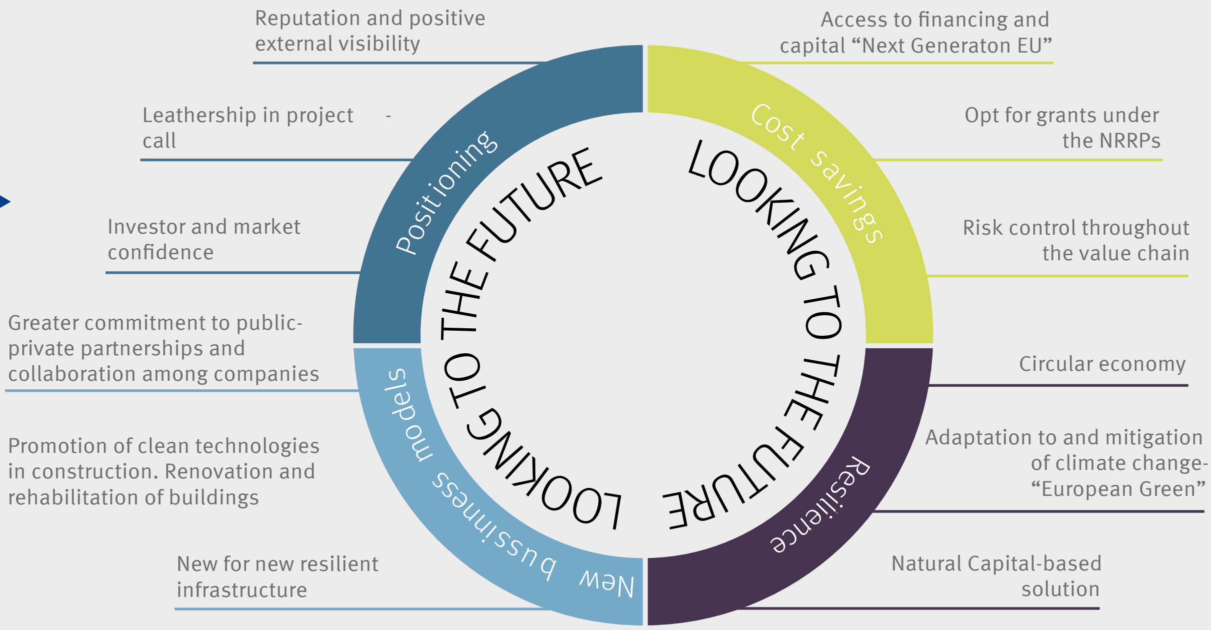
2,830.7
SALES

20,425
EMPLOYEES (FINAL)

96.7%
SPENDING AL LOCAL SUPPLIERS

12
FAMILIES OF R&D+i PATENTS

38
PROJECTS WITH SUSTAINABILITY CERTIFICATES



*Our response to the 2030 Agenda and the SDGs is reflected throughout this report.
**National Recovery and Resilience Plan.

Profile of the Group

Obrascón Huarte Lain (OHL) is a global infrastructure group with more than 100 years of history.

Positioned across three extensive geographical areas, namely Europe, Latin America and the US, its objective is the generation of value and the promotion of talent in the communities in which it is present.

In all of these areas, it develops infrastructure projects with the aim of promoting the growth and well-being of society, committing to innovation and sustainability as levers of progress.

With a solid presence in the Americas, where it has been building infrastructure for more than 40 years, it is the 47th largest international contractor and is positioned in the US in the Top 20 Contractors by Sector (Transportation) (#15), and in the Top 50 Domestic Heavy Contractors (#15), according to the Engineering News-Record (ENR) 2020 ranking.

OHL has reached this position thanks to its commitment to a responsible business model, including sustainability criteria, new designs, materials, solutions and construction processes in its projects that are more resilient and demanding in terms of energy efficiency and circular economy criteria.

OHL is also a member of the FTSE4Good Ibex stock index and voluntarily adheres to national and international sustainability initiatives: it is a member of the Spanish Network of the United Nations Global Compact, a development partner and member of the Spanish Business Council for Sustainable Development of Forética; and adheres to the New Deal for Europe manifesto and the CEO Alliance for Diversity.

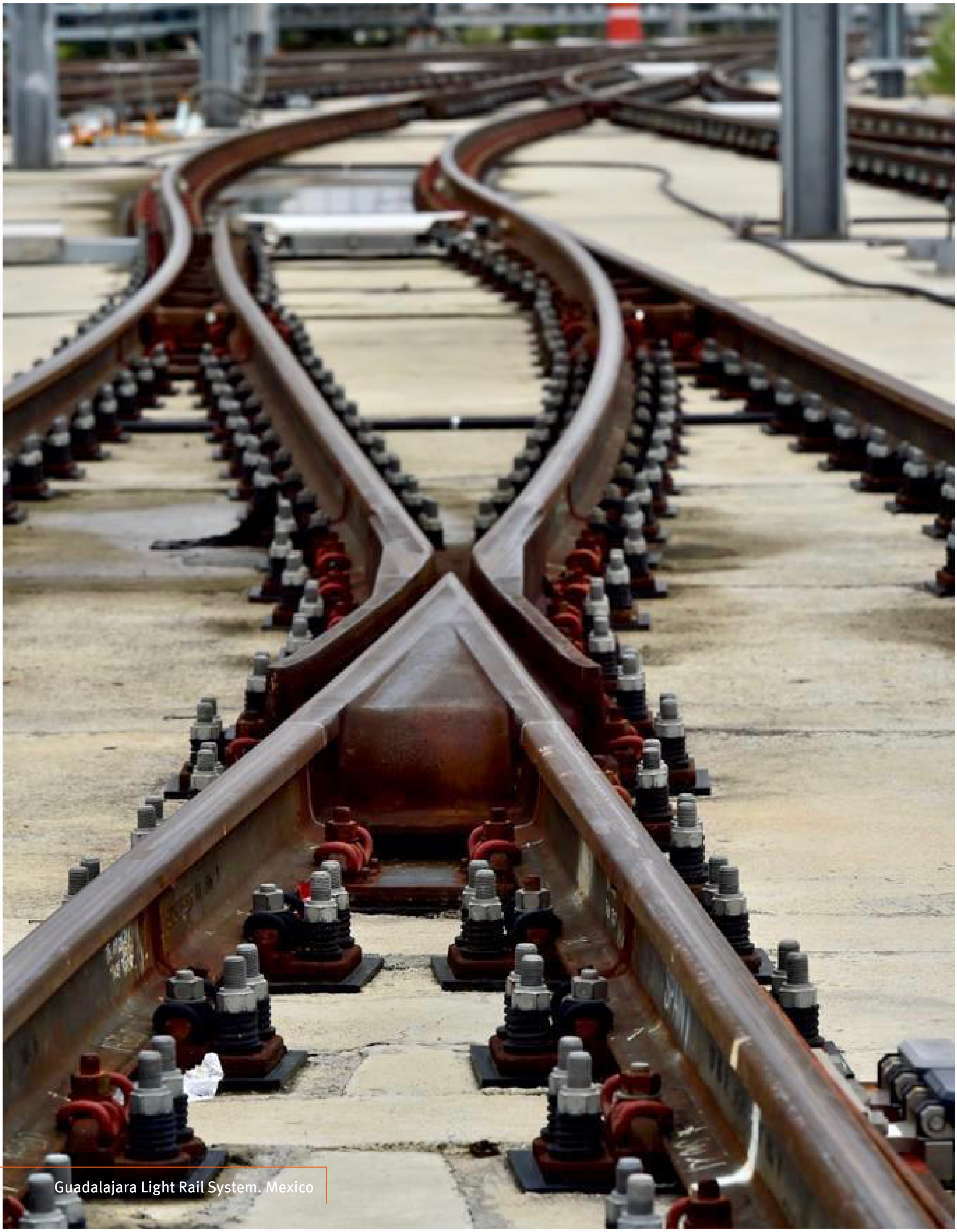
Group performance and main milestones

Group performance

OHL ended a 2020 marked by the covid-19 pandemic with **sales of EUR 2,830.7 million and EBITDA of EUR 67.5 million (up 4.2% on 2019)**, with all the business divisions of the Group contributing positively. It should be noted that the Services and Industrial divisions continued the along the path of improvement, ending with higher margins than in 2019.

The Net Attributable Loss of **EUR -151.2 million**, was negatively affected by both covid-19, which affected the Construction and Industrial business by and the Developments business (EUR 36.0 million, mainly in terms of the financial interests in the tourism projects of Centro Canalejas and Ciudad Mayakoba), as well as by the impairment of financial and other instruments with related companies amounting to EUR 38.5 million.

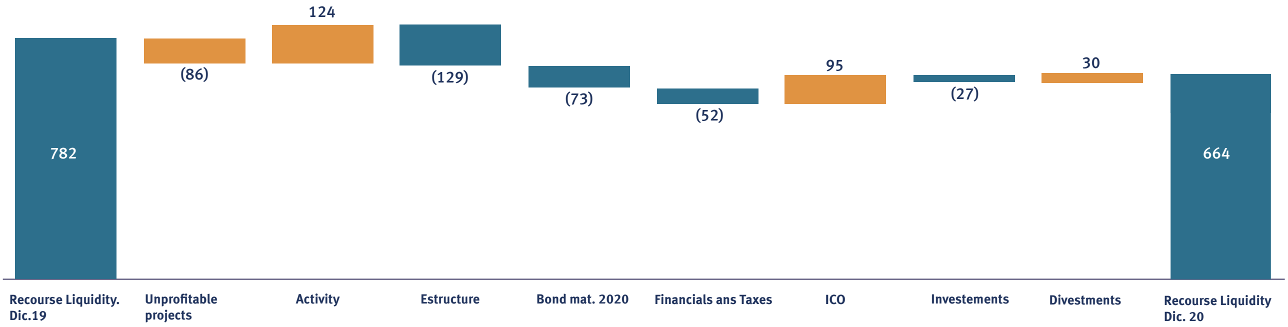
The total backlog at 31 December 2020 amounted to EUR 4,962.1 million, with Europe accounting for 45.1%, the US 37.3% and Latin America 16.3%. New contracts over the period (new construction projects and extensions) amounted to EUR 2,760.8 million, 3.5% above the level of new contracts in 2019, representing a book-to-bill ratio of 1, with most new contracts relating to work directly performed for public-sector customers. Worthy of mention is the sound performance of contracts in the US in 2020, having contributed EUR 1,354.7 million to the construction backlog, of particular note being the awards of the South Corridor, Throgs Neck Bridge, the I-294 Grand Wolf highway and the New York subway.



Guadalajara Light Rail System. Mexico

OHL ended 2020 with a **recourse liquidity position of EUR 664.3 million**, and in the first quarter of 2020 redeemed the bond issued in 2012, which had an outstanding balance of EUR 73.3 million. Also, in April the OHL Group entered into a syndicated loan agreement amounting to EUR 140 million, secured by the State through the Spanish Official Credit Institute (ICO).

The graph of the changes in recourse liquidity in the year is presented below, showing an improved performance in 2020 as a consequence of the greater control and monitoring of working capital, as well as a reduction in the entire OHL Group's overheads that amounted to EUR 129.4 million:



The principal agreements involved in this transaction are as follows:

a. Reduction of the principal of the outstanding bonds to EUR 488 million (decrease of EUR 104.6 million in the principal).

b. Strengthening of equity of between EUR 147 million and EUR 176 million.

c. Extension of the maturity of the bonds until 2025 and 2026.

TAll of the above will allow the commencement of a Scheme of Arrangement in the courts of London. This process in the London courts will foreseeably end in April, and subsequent capital increases and debt principal reduction may be carried out in the first half of 2021, once approved at the Extraordinary General Meeting and by the Spanish National Securities Market Commission (CNMV).

Also, the following milestones at the OHL Group in 2020 require special attention:

1. Entrance of the Amodio brothers in the shareholder structure as the Company's new **reference shareholders.**

2. Opening of the Four Seasons Hotel, as well as the sale and handover of all the Four Seasons Private Residences in the Centro Canalejas Madrid project in which OHL holds a 50% ownership interest.

3. Agreement reached with the Villar Mir Group with respect to its debt and the debt of Pacadar with the OHL Group.

4. Signing of an agreement for the sale of OHL's ownership interests in Nuevo Hospital de Toledo, S.A. and Mantohledo, S.A.U. for EUR 76.1 million. The transaction will foreseeably be completed in the first half of 2021, although it is conditional upon the fulfilment of the usual conditions precedent.

5. Following the study in 2020 of the alternatives for improving the OHL Group's long-term balance sheet and financial structure, an agreement was reached in January 2021 with a group of bondholders and the reference shareholders. After the announcement of the transaction, **the OHL Group received support from the banks with which it operates and a greater number of bondholders backed the transaction, which ultimately reached a level of support of more than 90% of the total bonds outstanding.**

Four Season Hotel. Madrid, Spain.

2020 in figures

MAIN AGGREGATES

Main Aggregates	2020	2019	Var. (%)
Sales	2,830.7	2,959.9	-4.4%
Ebitda	67.5	64.8	4.2%
As a % of sales	2.4%	2.2%	
Ebit	-8.5	-12.3	-30.9%
As a % of sales	-0.3%	-0.4%	
Net attributable loss	-151.2	-143.0	5.7%
As a % of sales	-5.3%	-4.8%	
Detail of Sales and EBITDA	**2020**	**2019**	**% change**
Sales	2,830.7	2,959.9	-4.4%
Construction	2,347.2	2,452.3	-4.3%
Industrial	166.3	218.2	-23.8%
Services	300.2	275.6	8.9%
Other	17.0	13.8	23.2%
EBITDA	67.5	64.8	4.2%
Construction	62.2	75.5	-17.6%
Construction EBITDA margin	2.6%	3.1%	
Industrial	10.8	9.8	10.2%
Industrial EBITDA margin	6.5%	4.5%	
Services	15.5	12.4	25.0%
Services EBITDA margin	5.2%	4.5%	
Corporate and other	-21.0	-32.9	-36.2%
Liquidity and borrowings	**2020**	**2019**	**% change**
Total liquidity	665.9	784.4	-15.1%
Recourse liquidity	664.3	781.6	-15.0%
Net borrowings	83.2	-55.3	n/a
Net recourse borrowings	33.6	-106.5	n/a
Net non-recourse borrowings	49.6	51.2	-3.1%
Backlog	**2020**	**2019**	**% change**
Short-term	4,505.4	4,999.6	-9.9%
Long-term	456.7	458.3	-0.3%
Total	4,962.1	5,457.9	-9.1%
Human resources*	**2020**	**2019**	**% change**
Permanent	13,933	12,548	11.0%
Temporary	6,492	6,234	4.1%
Total	20,425	18,782	8.7%

EUR million / Employees
*Year-end headcount

Performance by division

CONSTRUCTION

Main aggregates	2020	2019	% change
Sales	2,347.2	2,452.3	-4.3%
EBITDA	62.2	75.5	-17.6%
As a % of sales	2.6%	3.1%	
EBIT	15.7	18.9	-16.9%
As a % of sales	0.7%	0.8%	

EUR million

Despite the impact of the pandemic, sales in the Construction division amounted to EUR 2,347.2 million, a level similar to the same period in 2019, thanks to **geographical diversification**, the good performance in North America allowing the Group to mitigate the drop in sales in Europe and Latin America. The Construction division accounts for 83.0% of the Group's sales, and 84.7% of this division's sales are made outside Spain.

EBITDA reached EUR 62.2 million, 2.6% of sales a level of profitability similar to that obtained in 2019, despite the adverse economic situation due to the impact of covid-19

As was emphasised throughout the year, the Construction division in the regions of Spain and Latin America was the most affected by the drop in activity and new contracts caused by the pandemic. **It is estimated that the total impact of covid-19 amounted to EUR 35.0 million in terms of EBITDA.** This impact was offset by the improved performance in the US throughout the year.

The Construction backlog reached EUR 3,988.0 million (20.4 months of sales), 9.1% lower than in 2019 due to the effects of the pandemic and the exchange rate. **New contracts** (new construction projects and extensions) of the Construction division in 2020 amounted to **EUR 2,359.5 million, up 11.8% on 2019,** of which 57.4% corresponded to the US.

Archeopark Pavlov.
Czech Republic

The most noteworthy awards obtained in the year are as follows:

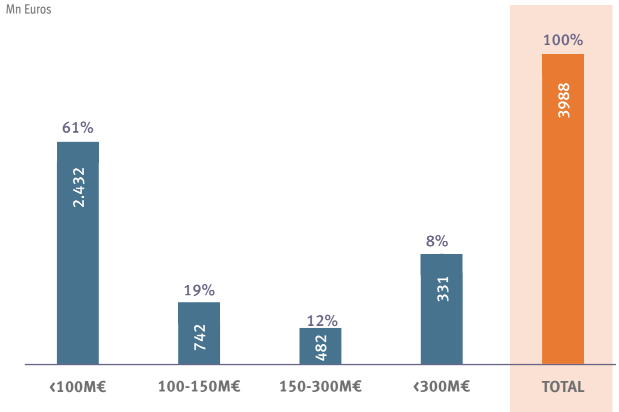
Project	Country	2020
South Corridor Rapid Tram Main	US	325.9
Rehab Appr Throgs Neck Bridge	US	144.0
I-294 Grand Wolf	US	135.3
Design Build Serv Access 8 STA	US	121.7
Albacete Hospital	Spain	84.4
Illinois. ISTHA I-18-4705 I-490 to I-90 Interchange Construction	US	75.8
Extension Line 1 Metro	Panama	74.3
New York. Design/Build Belmont Pk/Elmont	US	59.2
Illinois. I-57 Widening at I-294 Interchange	US	58.0
Total main awards		**1,078.6**
Other awards		1,280.9
Total construction awards		**2,359.5**

EUR million

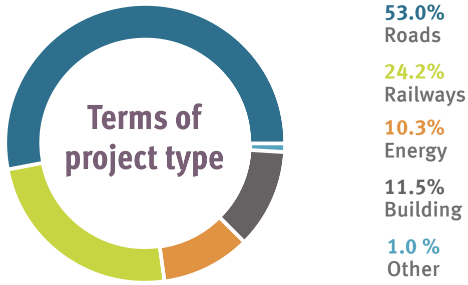
The geographical distribution of the construction backlog is as follows:

	2020
Main regions	**98.4%**
US	46.4%
Europe	35.8%
Latin America	16.2%
Other	**1.6%**

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



In terms of project type, 53.0% relates to roads, 24.2% to railways, 10.3% to energy and mining and 11.5% to building construction, as illustrated in the following figure:



South Corridor Rapid Transit. Miami, USA.

The main projects in the backlog at 31 December 2020 were as follows

Project	Country	2020
Project I-405	US	331.4
South Corridor Rapid Tram Main	US	299.6
Vespucio Oriente toll road	Chile	182.6
Design Build Serv Access 8 STA	US	121.7
I-294 Grand Wolf	US	121.2
Rehab Appr Throgs Neck Bridge	US	110.6
NY TN-49 Replacement of roadway deck	US	104.9
North Seville Tunnels	Spain	101.3
Modernisation of the Sudomerice-Votice railway line	Czech Republic	98.6
Albacete Hospital	Spain	84.4
D1 Hubová - Ivachnová toll road	Slovakia	83.5
Main projects in the backlog		**1,639.8**

EUR million

INDUSTRIAL

Main aggregates	2020	2019	% change
Sales	166.3	218.2	-23.8%
Ebitda	10.8	9.8	10.2%
As a % of sales	6.5%	4.5%	
Ebit	7.6	8.3	-8.4%
As a % of sales	4.6%	3.8%	

EUR million

The Industrial business recorded sales of EUR 166.3 million, down -23.8% on 2019. The sales and new contracts in this business were particularly affected by covid-19 in all the countries in which it operates. Also, the completion of EPC projects and the lower levels of activity in renewable energies, operation and maintenance and fire protection also had a negative impact.

EBITDA stood at EUR 10.8 million, representing an improvement in margins from 4.5% in 2019 to 6.5% in 2020 due to the positive contribution of the EPCs, renewable energies and mining and cement projects, as well as the reduction in overheads in this division.

The backlog reached EUR 122.6 million, which represents 8.8 months of sales.

SERVICES

Main aggregates	2020	2019	% change
Sales	300.2	275.6	8.9%
Ebitda	15.5	12.4	25.0%
As a % of sales	5.2%	4.5%	
Ebit	8.6	7.7	11.7%
As a % of sales	2.9%	2.8%	

EUR million

The Services business performed well in the year with sales amounting to EUR 300.2 million, presenting growth of +8.9% on the same period of 2019, boosted by the activity of cleaning, home help services, urban services and maintenance.

EBITDA reached EUR 15.5 million, an improvement of EUR 3.0 million in comparison with 2019, which represents an improvement in margins from 4.5% in 2019 to 5.2% in 2020.

At 31 December 2020, the backlog stood at EUR 394.8 million (15.8 months of activity), an increase of 8.1% compared with 2019. In 2020 this division's new contracts amounted to EUR 332.9 million, having obtained significant contracts in cleaning services (Catalan Institute of Health, secondary schools in the Valencian Autonomous Community, University Hospital of Ceuta and the Ministry of Defence) and in waste collection (Loja Town Council).

CORPORATE AND OTHER

This segment includes sales and EBITDA from the Development, Infrastructure Promotion and Corporate lines of business, ending 2020 with EBITDA of EUR -21.0 million compared with EUR -32.9 million in 2019. This is due to the ongoing effort to reduce overheads, the effect of furlough arrangements and other matters.

Employees in Quellaveco Mine. Peru

02 Strategy

Cubipods on Naos southern outer sea wall cruise ship dock. Spain.

Business Plan and outlook

OHL ended 2020, a year marked by the pandemic, as a profitable company at an operational level across all business units, achieving various milestones from operational, financial and strategic standpoints.

At operational level,,the year was marked by the evolution of the covid-19 crisis

The Construction division in the European and Latin American regions was the most affected by a drop in activity and new contracts, with a total impact of the pandemic of approximately EUR 35 million at EBITDA level.

In the framework of covid-19, the Company set up an internal Crisis Committee which adopted the following main measures:

- **In the social and health field:** employees were provided with personal protective equipment, following the recommendations of the health authorities. Also, actions were taken regarding working flexibility and teleworking.
- **In the workplace:** an agreement was reached with the legal representatives of the workers in Spain for the application of a furlough-type arrangement (Spanish ERTE).

In addition, a voluntary reduction of the salary of the members of the Board of Directors, senior management, executives and managers was applied.

- **In the financial sphere:** the Company's liquidity was reinforced with the signing of a syndicated loan, using the mechanisms made available by the Government, through the Official Credit Institute (ICO).

Despite the impact of the pandemic, at an operational level, of particular note in 2020 were:

- New contracts in the Construction division, which amounted to EUR 2,359.5 million, up 11.8% on 2019. With special mention to the sound performance of the US market, which represents 57.4% of new contracts.
- The penetration of the Panamanian market with the award of the work for the extension of Line 1 of the metro to Villa Zaita.
- And the recovery and growth trend displayed by the Industrial and Services areas, which ended 2020 with margins higher than those of 2019.

At financial level: reference must be made to the redemption of EUR 73.3 million corresponding to the bond issued in 2012 and maturing in March 2020.

Also of note was the strengthening of liquidity through the signing of the aforementioned syndicated loan on April 30, amounting to EUR 140 million. Of these EUR 140 million, a total of EUR 10 million were repaid in 2020, with EUR 95 million drawn down, leaving EUR 35 million drawable.


Zafra photovoltaic plant. Spain

An agreement for the sale of OHL's ownership interests in Nuevo Hospital de Toledo, S.A. and Mantohledo, S.A.U. for EUR 76 million was also entered into. This transaction is to be completed in 2021.

Also, the most significant strategic milestones achieved included:

- The entrance in OHL's shareholder structure of the Amodio family, making it the reference shareholder.

- The transaction to recapitalise and refinance the Company. Following the study in 2020 of the alternatives for improving OHL's balance sheet and financial structure, on 21 January 2021 an agreement was announced between the majority shareholders, i.e. the Amodio family and the Villar Mir Group, and a group of bondholders. This transaction subsequently received the support of more than 90% of the total outstanding bonds and of the main banks with which the Company operates. The Company would go on to adhere to the agreement on 25 February 2021.

This transaction, subject to approval by the shareholders at the Extraordinary General Meeting and the CNMV, marks a turning point in the definitive normalisation of OHL.

The agreement makes it possible to extend the maturities of the outstanding bonds to 2025 and 2026, and reduce the company's leverage by EUR 105 million. It will also strengthen equity in a range of between EUR 147 million and EUR 176 million, depending on the uptake in the capital increases.

OBJETIVES IN 2021

In 2020 OHL progressed with:

- The objective set for budgetary discipline and risk control

- Active management of each contract.

- Cash control in decision-making.

- The new contracts policy based on risk profiles.

All these aspects are part of the reorganisation, transformation and resizing process that OHL underwent between 2018 and 2020.

At operating level:

- The backlog was reviewed

- Backing was given to contract management rather than project management.

- The focus was placed on the three main geographical areas: Europe, Latin America and the US.

- The capacity of the guarantee and bonding lines was actively managed.

On a financial level:

- The cash basis of accounting became a management priority.

- The strengthening of the balance sheet structure was sought.

- The accounting principle of prudence was maintained.

- The reduction of overheads continued.

And, at a strategic level, OHL committed to:

- The launch of Senda Infraestructuras, to strengthen the Concessions area.

- The monetisation of non-strategic assets.

- The retention and recruitment of talent.

- Rigour in Good Corporate Governance and information transparency.

- Continue to drive sustainable building practices with nearly 40 certified sustainable building projects.

- The implementation of practices that have enabled us to continue reducing the energy intensity of our activities.

- Development of technological innovation activities focused on the fields of energy efficiency in buildings, recycling and improving the performance of materials.

Thus, following the roadmap implemented towards the end of 2018, OHL passed the tipping point in 2020.

The recapitalisation and refinancing of the Company and the boost provided by the reference shareholder, the Amodio family, will mark a new stage in 2021, the year in which OHL will celebrate its 110th anniversary, after its foundation on 15 May 1911.

Regarding the objectives for 2021, the Company hopes to achieve:

- Sales in the range of EUR 3,000 million.

- EBITDA of more than EUR 80 million.

- Control of overheads at 4% of sales.

- More new contracts, reaching over EUR 3,000 million.

Profit/Loss by division

Construction

In 2020 the Construction business obtained revenue of EUR 2,347.2 million. The Company focused its activity on: North America, Latin America and Europe, geographical areas in which OHL has a consolidated presence.

The short-term backlog amounted to EUR 3,988.0 million, which represents approximately 20.3 months of sales. New contracts in 2020 amounted to EUR 2,011.8 million, 57.4% of which relates to the US, 31.3% to Europe and 11.3% to Latin America.

Within the various markets in which the Company carries on its activity, it should be noted that in 2020 OHL began its activity in Panama where it will extend Metro Line 1 to Villa Zaita.

This is the first initiative it has implemented in this market where it will develop, as part of a consortium, the 2.2 km extension. The works will also include: a terminal station at the northern end of the line, with capacity exceeding 10,000 passengers at rush hour; the construction of a bus hub with a capacity for more than 8,000 passengers and a car park with 800 parking spaces.

Another of the outstanding components of the project is the expansion of the Vía Transístmica to six lanes and a two-level traffic segment, in addition to pedestrian and landscaping improvements.

Effects of the pandemic

Spain and Latin America were the geographical areas most affected by covid-19. The fall off in activity in these geographical areas was offset by the sound performance of the US.

In all the territories in which the Company is present, protocols have been established to preserve the health and safety of its employees in the context of the global healthcare crisis.

National Forensic Mental Health Hospital. Ireland

GEOGRAPHICAL AREAS

North America

This is one of the Company's main markets. In 2020 sales represented 50.8% of the total for Construction and more than 49.0% of the total for OHL.

OHL, which currently operates in New York, Massachusetts, California, Florida, Illinois and Texas through OHL USA, Judlau Contracting, Community Asphalt and OHL Building, continued to expand its presence in the main geographical areas and sectors, with new project awards in the year totalling EUR 1,155.5 million.

Main contracts awarded

OHL obtained its largest project award in 2020 in Florida, namely, the South Corridor Rapid Transit project awarded by the Miami-Dade Department of Transportation and Public Works for EUR 325.9 million.

It is a design and build initiative aimed at converting the South Corridor (South Dade Transitway) to Bus Rapid Transit (BRT). This corridor is one of six included in the Strategic Miami Area Rapid Transit Plan (also called SMART), and the first to move into the construction phase.

It includes several actions including the construction of BRT stations in the South Corridor and a Park-and-Ride. The project, in which OHL USA and OHL Building participate, runs along 32 kilometres of exclusive transit right-of-way between the SW 344th Street station and Dadeland South adjacent to US-1, Old Dixie Highway and Flagler Avenue, and connects five municipalities in South Florida.

In addition to this award, others were won in Miami (Florida) by OHL Building in the field of building construction.

In New York, Judlau Contracting was awarded a design-build project amounting to EUR 121.7 million. It was awarded by the Metropolitan Transportation Authority (MTA) and is part of an ambitious plan to modernise the New York City subway system and improve accessibility. Judlau will build 17 lifts at 8 stations spread over the 5 boroughs of the city. In addition, the MTA could exercise a State-of-Good-Repair Option for EUR 3.4 million, bringing the total value of the project to EUR 125.1 million.

Once again, the design-build system is a prominent element of this project, as it provides an incentive to complete work within highly competitive time frames. In this context, it should be noted that, due to budgetary restrictions, public works agencies are committing to improving efficiency in the performance of projects. The bundling of several station contracts in a single tender is an example of this cost reduction measure.

Also in New York, the MTA awarded Judlau the Long Island Rail Road (LIRR) project for EUR 59.2 million to design and build the Elmont train station. It is the first railway station to be built in the city in nearly 50 years, and is part of the Belmont Park redevelopment project. The new facility will serve New York City commuters and spectators visiting the Belmont Park racetrack and the New York Islanders hockey team's new stadium.

In Illinois, Judlau received several projects, including one of EUR 135.3 million from the Illinois State Toll Roads Authority, which provides for the reconstruction of roads, bridges and access ramps, mainline surfacing and retaining walls, as well as the relocation of public services, drainage improvements and intelligent transport system (ITS) infrastructure. For the same customer, OHL is carrying out a EUR 58.0 million project that includes the widening of the roadway and bridges on the I-57 and the construction of access ramps on the I-294. Both projects are in the Chicago area.

Also, the California Department of Transportation awarded OHL two contracts totalling EUR 51.9 million. The first includes the installation of 24 km of new concrete barrier rail along the US 101, a major commuter corridor in Los Angeles County and one of the busiest highways in the US. The project will improve the safety and mobility of motorists. The second project calls for the replacement of concrete surfacing in the truck lanes to improve safety along Interstate 15, which runs north to south in San Bernardino County.

Jane Byrne Interchange. US

Major contracts in progress

In addition to the aforementioned awards, in 2020 OHL continued to execute various contracts. These include:

Rehabilitation of the Canarsie Tunnel. New York. US

AMOUNT OF THE PROJECT: 406.2 MILLION

Awarded by the MTA to Judlau, the object of this contract is to respond to the serious damage suffered by the tunnel structure and its communications and electrical systems, devastated by Hurricane Sandy. The project also included major upgrades to basic capacity and advanced distribution automation (ADA) at major subway stations - one on First Avenue in Manhattan and one on Bedford Avenue in Brooklyn.

OHL completes the main phase of the rehabilitation of the Canarsie Tunnel ahead of schedule

Judlau Contracting, a subsidiary of OHL, reached the main milestone of the contract it was performing in the Canarsie Tunnel in New York. Specifically, the company, which led the consortium, completed its rehabilitation three months ahead of schedule, which has made it possible for trains to circulate with total normality along the infrastructure since 27 April.

The Canarsie Tunnel is the main connecting route between Brooklyn and Manhattan and serves the busy L subway line, with an average of 400,000 passengers per day. Located under the East River, it was damaged by Hurricane Sandy and its rehabilitation is one of the most significant initiatives carried out in the city.

In the spring of 2017, the New York MTA awarded the rehabilitation work and other complementary actions to the joint venture led by Judlau. The original contract established the closure of the tunnel in order to be able to carry out work 24 hours a day.

In January 2019, the New York State Governor revised the original plan by modifying it with the goal of keeping trains running during rush hour and reducing their capacity at night and over weekends. The joint venture rose to the challenge and adapted to the new requirements.

Thus, based on the new planning, the concrete cable channels were kept in position and stabilised and reinforced with fibreglass reinforced polymer (FRP) panels. Added to these

works, among other elements, were fire resistant wiring and the partial demolition of concrete walls.

Now that the main objective of the contract has been achieved, the work to improve the stations and their accessibility continues, including the renovation of platforms and the installation of lifts and stairs at the Manhattan and Brooklyn stations.

Replacement of roadway deck at the Throgs Neck Bridge.
New York. US

AMOUNT OF THE PROJECT: EUR 211.4 MILLION

The project team is replacing the original concrete roadway, which dates back to when the bridge was built in the late 1950s, with a new, lighter and stronger steel deck. To facilitate the reconstruction of the roadway, a safety platform is used to access the work below the road and temporary gantry cranes are in place to lift and replace roadway sections. This part of the job is critical and demanding from both a technical and scheduling point of view.

Rehabilitation of the approach viaducts at the Throgs Neck Bridge.
New York. US

AMOUNT OF THE PROJECT: EUR 130.3 MILLION

The contract includes the replacement and repair of 5,500 deteriorated structural elements, as well as the resurfacing of roadways and the repair of sidewalks and median barriers. Among the works requested were the replacement of existing bearings with insulating ones, the placement of new concrete bearing carriers, the installation of a direct low-pressure fire extinguishing system and the repair of electrical feeders, as well as the repainting of steel structures. Many of the steel repairs are taking place in the adjacent approaches to the State University of New York maritime campus.

Project to improve the I-405.
Orange County, California. US

AMOUNT OF THE PROJECT: EUR 1,131.6 MILLION

As part of a joint venture, OHL USA is designing and constructing the I-405, which is OHL's largest contract in the US. The project, awarded by the Orange County Transportation Authority and the California Department of Transportation, consists of the design and accelerated construction of 25 km of two new lanes in each direction of the interstate highway in Orange County.

Atlantic Sapphire salmon farm.
Homestead, Florida. US

AMOUNT OF THE PROJECT: EUR 61.9 MILLION

OHL Building is the general contractor and construction manager for this state-of-the-art aquaculture facility consisting of six development sectors - from an egg hatchery to the transition from fresh to salt water - along with 36 breeding tanks, each containing more than 2,000 cubic meters of salt water. The tanks are connected by 100 km of piping.

In this contract, all the necessary equipment has been installed to create a complete recirculating aquaculture system (RAS) in order to regulate the salinity, pH and temperature of the water in all the systems. RAS protects developmental life cycle transitions and the progression from fresh to salt water to reproduce the natural life cycle conditions of Atlantic salmon. An advanced filtration system continually purifies the water to make sure it stays crystal clear.

The water for the salmon farm comes from a series of fresh and salt water wells that are naturally purified through limestone in ancient sustainable artesian aquifers. The scope of the work also required the construction of a processing facility, along with the assembly of the required equipment. The facility has a total production capacity of approximately 12,000 tonnes per year.

Ardie R. Copas State Veterans' Nursing Home. US

Improvements to Highway 27.
Palm Beach County, Florida. US

AMOUNT OF THE PROJECT: EUR 19.2 MILLION

OHL is developing this project for the Florida Department of Transportation. The scope of the work consists of widening the shoulders, milling, upgrading the pavement and reinstalling the guardrails together with retaining walls. Lane closures and traffic maintenance and protection are a major part of this project.

The project spans 20 km of northbound and southbound lanes from the Broward-Palm Beach county line to the city of South Bay in Palm Beach County. The project team was recognised by the University of South Florida for its improved safety practices and received the prestigious Sunshine State Safety Recognition Award.

East-to-North Ramp of the Jane Byrne interchange.
Chicago, Illinois. US

AMOUNT OF THE PROJECT: EUR 34.9 MILLION

To reduce congestion on one of the country's busiest highway links, the Illinois Department of Transportation selected Judlau as the general contractor to replace one of the existing ramps and the bridge structure that connect Interstate 290 to northbound Interstate 90/94.

This project is one of many under way to improve traffic conditions at the busy Jane Byrne interchange. The scope of the work also required the installation of five large-scale retaining walls and the placement of numerous 8-meter-deep soil retention systems to improve drainage.

For the on-site construction of the new 90-meter-long steel and concrete bridge, as well as for the more than 500-meter-long concrete surfaced ramp, which now has an additional lane to improve its capacity, it was necessary to close the existing ramp for 120 days to be able to carry out the foundation, superstructure and surfacing work. Accurate pre-construction planning by the project team, close monitoring of the schedule and frequent communication played a fundamental role in reaching this critical project milestone 37 days ahead of schedule.

Outlook

OHL's position as a yardstick in the US market is reflected by the noteworthy rankings bestowed on it in the publication Engineering News-Record (ENR).

In its 2020 edition, OHL USA ranks 75th on the Top 400 Contractors list, up two places; and is placed 15th among the Top 50 Domestic Heavy Contractors as well as in the Transportation category. It is also ranked in categories such as Water Transmission Lines (5th), Highways (6th), Mass Rail & Transit (7th), Sanitary & Storm Sewers (11th), Bridges (17th), Water Supply (19th), and Sewerage & Solid Waste (36th).

OHL faces the future in this market from an outstanding vantage point. Accordingly, it will continue in its search for projects in competitive markets, while developing strategies to explore new potential work sectors.

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Ardie R. Copas State Veterans' Nursing Home obtains Leed Gold certification. US

Ardie R. Copas State Veterans' Nursing Home obtained LEED (Leadership in Energy & Environmental Design) Gold certification.

The 11,000 m² veterans' centre has important services and includes two separate areas with 60 beds, now providing a home to 120 veterans. One of them will be dedicated to residents with Alzheimer's disease and dementia.

The carefully designed project consists of semi-private rooms for two with separate living areas and a shared bathroom. The two areas will flank a main building known as the Heroes Center, which houses a main lobby and reception area, administrative offices, physiotherapy services, beauty salon and barbers shop, cafeteria, chapel, kitchen and dining facilities.

The skilled nursing facility is named after local Sergeant Ardie R. Copas, who received the Medal of Honour for service in the Vietnam War.

Limited impact of the pandemic in the US

As in many other sectors, the US construction market faced significant obstacles in 2020 as a result of the rapid spread of covid-19.

Specifically, the country faced great uncertainty arising from this situation and ongoing and planned projects were negatively affected. In some areas, government entities had to temporarily stop certain construction contracts. Delays in material and equipment deliveries and a shortage of workers represented a further difficulty.

In the case of OHL, the effects of covid-19 in this market were limited since only a very small number of projects were halted briefly and none were cancelled. In this regard, the Company put in place measures to ensure that the contracts were completed according to the established budget and deadline. Compliance with the security protocols implemented to deal with the pandemic and the reordering of construction activities, which made it possible to adjust the pace of work to the timetable, were just some of the actions implemented to avoid the impact on the projects.

In general terms, the pandemic particularly affected New York, where revenue from public transportation decreased by up to 90%. In this context, major organisations such as the Metropolitan Transportation Authority (MTA) and the Port Authority of New York and New Jersey continue to face significant deficits affecting both operations and investment projects.

Transport bodies across the entire country are facing similar shortfalls and they have joined forces to garner more support from the federal government. To a large extent, the project backlog for 2021 and beyond will depend on the extent of federal aid for the financing of transportation contracts.

OHL USA, recognised for its commitment to safety with the Sunshine State Safety Recognition Award. US

OHL USA, a subsidiary of OHL in the US, had its commitment to the safety and health protection of its human team recognised with the Sunshine State Safety Recognition Award. This recognition, given specifically to the team in charge of the US 27 highway improvement project in Florida, was awarded by the SafetyFlorida committee of the University of South Florida after a thorough assessment of practices related to health and safety, safety training and internal safety routines deployed on site.

Created in 2006 by USF SafetyFlorida, the Sunshine State Safety Recognition Award recognises Florida employers and employees from all industrial sectors who are proactively engaged in occupational safety.

This award is in addition to other significant awards obtained by OHL North America in the US. Of particular note is the Award of Merit in the Highway/Bridge category obtained by OHL USA and OHL Community Asphalt in the 2019 Project of the Year Awards given by ENR Southeast in recognition of the project to design and build express lanes on Interstate 75 (Miramar - Miami).

Judlau was honoured as ENR New York's 2019 Contractor of the Year, in recognition of its achievements in the rehabilitation projects of the Canarsie Tunnel, the Riverside Drive Viaduct, the Throgs Neck Bridge and the Queens Midtown Tunnel, as well as for the improvement of several railway stations. The company also won the Above and Beyond award from the Illinois Department of Transportation and the Office of Business and Workplace Diversity for its contribution to the Disadvantaged Business Enterprises Program.

Latin America

OHL, with a presence in Latin America of over 40 years developing infrastructure projects, carries on its activities in Mexico, Chile, Peru and Colombia. Total activity in these countries accounts for 14.9% of total Construction revenue.

In the first of these countries, Mexico, a very important milestone was reached in 2020 after the inauguration, in September, of Line 3 of the Guadalajara Light Rail System, considered to be the most modern and advanced railway line built in Mexico. .

Its length of almost 21 km and a total of 18 stations are the main characteristics of this project in the construction of which OHL participated. Specifically, OHL was responsible for, among other works, the installation of the track and the overhead line system, as well as various electromechanical systems, along a route that connects the urban areas of Zapopan, Guadalajara and Tlaquepaque. It also carried out the construction of the section known as Viaduct 2, which is of 7 km long and includes six elevated stations of approximately 100 m in length each, and a weighs 112 t per structure.

Regarding the infrastructure layout, 16 km pass over viaducts and 5 km through tunnels, along which 18 stations are located -13 aboveground and 5 underground. The scope of the contract includes the construction of a workshop, depot and two electrical substations. OHL completed the installation of approximately 44 km of track directly fixed on concrete, including 45 track devices of various types, as well as the installation of 32 km of flexible copper overhead line and 10 km of rigid overhead line.

In Mexico, OHL also took part in the construction of the most important section of the Toluca-Mexico City railway, which runs between the Zinacantepec and Observatorio stations with a total length of 59.4 km. It has six stations and also includes an area for workshops and depots.

The section executed by OHL as part of an UTE (unincorporated temporary joint venture) is 36.150 km long and includes four passenger stations, 11 long-range viaducts and 8 km of earth works.

The construction of the Toluca-Mexico City railway, a technical touchstone in the country.

Mexico

As part of a consortium, in Mexico OHL constructed the Toluca-Mexico City railway, which from a technical standpoint has become a benchmark in the country.

Under this contract, each station is made up of two bodies that together are 200 m in length and have three levels. The street level houses technical premises, concourse and private and public service stops, as well as accesses to and from the lifts and stairs; the intermediate level functions as a roof for the technical premises that are located at street level and contains the distribution concourses leading to escalators and fixed stairs for the segregation of circulation flows; and the platform level, which provides access to fixed stairs, escalators and lifts in the central area.

As regards the layout, eight viaducts are designed with a prestressed concrete superstructure with isostatic spans of double, continuous and mixed routes, and a substructure of reinforced concrete columns with heights of up to 40 m, with a corbel-type structural model and foundations composed of footings and piles.

Two of the viaducts are designed with moveable falsework, an advance system for manufacturing large concrete spans on site with a prestressing system that speeds up the work process, obtaining various advantages such as improved structural efficiency, automatic adaptation and an increase or decrease in forces according to the load variation, in order to reduce deformations in the structure.

It should be noted that one of them has a support which is 80 m tall. It was made in record time using a slip forming system. The technical difficulty of the “Delta columns” supports stands out, since for construction reasons one of them was made of a metallic structure with abatement systems for its supports, a system that had never previously been used in Mexico.

Line 3 of the Guadalajara Light Rail System, an environmentally sustainable design.

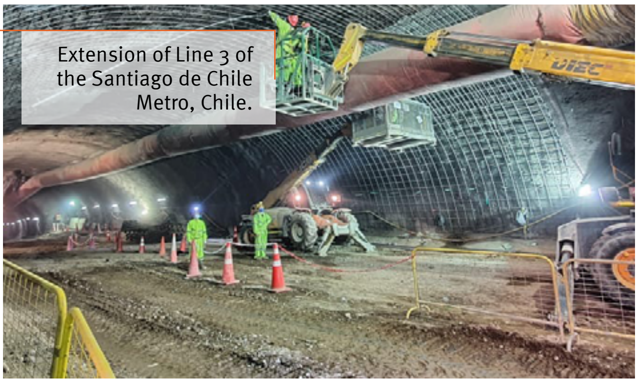
Mexico

OHL took part in the construction of Line 3 of the Guadalajara Light Rail System, considered a benchmark railway line in Mexico.

Among other relevant aspects, it has a control centre that makes it possible to manage and supervise the entire transport system through a SCADA system, which integrates all of the communication, CBTC, CCTV, sound and voice, access control, ventilation, air conditioning, lighting, access, fire protection and other systems. Its design is also environmentally sustainable, as it avoids the emission of pollutants and reduces noise levels and energy consumption.

Also, in the area where the works are located, reforestation initiatives were carried out, such as the Bosque de la Primavera, the largest ecological reserve to the west of the metropolitan area of Guadalajara, and green and landscaped areas were adapted in localities close to the project.

From a socially responsible standpoint, the development of the project resulted in the creation of 4,000 unqualified jobs, with contracts that varied in length depending on the type of work performed, and boosted the creation of local employment for those with the most vulnerable profiles.



Extension of Line 3 of the Santiago de Chile Metro, Chile.


Américo Vespucio urban toll road, El Salto viaduct, Chile.

In Chile, the construction of the Américo Vespucio urban toll road, in which OHL participates in a consortium, is taking place in Santiago. In this contract the milestone of 50% of the construction has been passed, completing 57.3% of the total work by working in shifts 24 hours a day, 7 days a week, thereby making it possible to advance beyond what is established in the contract despite the 2020 pandemic situation.

The construction of this 9.1 km urban toll road runs between the communes of Recoleta and Huechuraba, with the construction of a 1.3 km viaduct and 26 spans with an average separation of 50 m, to which a branch of 4 spans is added. The two and four lane section has widths of between 8.5 m and 18 m.

EThe route that runs through the communes of La Reina, Las Condes and Vitacura includes, among other actions, 12 tunnel fronts with sections up to 28 m wide. As a particularity of this sector, it is worth mentioning its intersection with subway Line 1, currently in service, and with the Apoquindo underground parking lots. It has two levels and three lanes at each level and in each direction, of two different types: trenching (cut & cover), executed at two levels top-down (3.0 km).

An innovative hybrid tunnel system is being executed on the same site, using the Austrian NATM method, with manual piles and an intermediate slab, to excavate level -2. The stretch of some 2.1 km being built by OHL commenced in November 2019 and has an average of 260 workers in three shifts.

Also, progress continues in the construction of the Third Lanes of Route 78, which will have an expansion of 35 km and, in the railway field, the project to expand a section of Line 3 of the Santiago metro, where OHL contributes its notable experience.

In 2020 OHL managed to consolidate itself in the mining sector in Chile, the main economic driving force of the country, completing the execution of the eighth stage


Curicó Hospital. Chile


Assembly hall of the Central Crime Lab (PDI), Chile.

Curicó Hospital. Chile


Earthworks at the Teniente mine, Chile.

of expansion of the Talabre tailings dam, for Codelco, which involved the movement of 5.5 million cubic metres of earth from the borrow pits to its placement along the retaining wall.

In addition, progress was made in the work on the sanitation and earthmoving work at the Teniente mine, near the city of Rancagua. This project, which involves digging out 41,000 m^3 of rock and 60,700 m^3 of earth, has achieved a level of zero accidents throughout its execution.

Another of the most important projects is the New Provincial Hospital of Curicó, which reached the planned penultimate stage in 2020, with 90% progress.

The new Hospital measures 109,152 m^2, distributed over nine floors, two of which are below ground level; it is the largest and most modern healthcare project that the Maule Region will have and will be protected by seismic isolators.

It will have, among other features, 12 operating theatres, five integral delivery rooms, 400 beds and 79 rooms for consultations and outpatient procedures for the benefit of a population of 288,000 people. It is distributed across nine floors, two of which are below ground level, with 10 sets of lifts, parking for 800 vehicles and a heliport for emergency transfers within the National Health network.

Also, in Viña del Mar in the Valparaíso region, the Gustavo Fricke Hospital was completed in February 2020. Built by OHL, this highly complex infrastructure, which will replace the centre of the same name that was inaugurated in 1954, entered into operation in April.

At this stage the new hospital has 442 hospital beds and 116 beds for critical patients (558 beds in total). 21 operating theatres, 3 hemodynamic rooms and 7 integral delivery rooms are distributed over 8 floors above ground, with two underground levels and a heliport. Its services include, among others, radiotherapy, imaging, laboratory, food, pharmacy, solid waste and storerooms and more than 550 beds, and have a total of seven delivery rooms and a floor area of 92,000 m^2 distributed over 24 wards.

In its more than 39 years operating uninterruptedly in Chile, with these hospitals OHL has built 7 healthcare establishments that have endowed the country with 2,200 beds.

OHL is also building a crime lab facility for the PDI (Investigations Police of Chile) that will be the benchmark for the whole of Latin America with its close to 1,600 m^2 of state-of-the-art laboratories in a total space of 15,500 m^2. The building, 87% complete, is built on seismic isolators and was designed using energy efficiency criteria.

The Chilean Safety Association certifies OHL for its compliance with covid-19 prevention measures. Chile

The Chilean Safety Association (ACHS) certified OHL in Chile for its full compliance with covid-19 prevention measures. In addition, the Company adhered to the health protocol of the Chilean Chamber of Construction. Within this framework, Chile has implemented, inter alia:

Plans:

- A covid-19 prevention plan, specific to each workplace, that included current health measures, was drawn up and disseminated to all staff.

- A cleaning and disinfection protocol was implemented for workstations, tools, vehicles and construction equipment, among other items.
- An access and exit plan for the construction sites, use of canteens and changing rooms was established.

Training:

- Training was carried out for construction personnel, within the framework of the health protocol.
- Talks were given to construction personnel on covid-19 prevention and control measures.

Actions:

- Implementation of the mandatory use of masks.
- Temperature taken on entering construction sites.
- Hand sanitiser dispensers, spaces for disposable masks and sanitation tunnels, at those sites where this was possible, among other measures.
- Increase in the frequency of cleaning and disinfection of work areas, toilets and dining rooms.
- Activation of sanitation crews at construction sites.
- Hand washing and disinfection stations in all areas of the sites.
- Reduction to 50% of the capacity of the means of transportation taking workers to and from the construction sites.
- Restriction of capacity of project offices and modules.
- Creation of deferred lunch sittings and showering times.
- The dining areas were reconditioned, reducing the capacity by 50%.
- Rapid tests were conducted to detect covid-19.
- Remote working in certain cases.
- Implementation of a tracing system (QR code) for the transfer of workers.

With regard to Peru, work progressed at the National Museum of Archaeology (MUNA), the project with the highest investment in the history of Peru in order to protect, study and disseminate the rich and vast cultural heritage of this Latin American country.

It will foreseeably open in 2021 as the largest Peruvian museum and one of the most important in Latin America. It will have the capacity to house some 500,000 pre-Inca and Inca archaeological artefacts, which will be displayed to visitors, protected by modern surveillance and security systems.

The building, the exterior architecture of which is based on a design reminiscent of a pre-Hispanic past, will harmoniously blend in with the cultural and environmental surroundings. It will be built in an area of more than 75,000 m² located in the archaeological zone of Pachacámac, in the district of Lurín, at km 31 of the old Antigua Panamericana Sur road

Also, within OHL's backlog in this country, work progressed on the expansion project of the Jorge Chávez International Airport in Lima.

With regard to the mining area, the work contracted in Quellaveco, one of the five largest copper deposits in the world, in the Moquegua region of southern Peru, was completed.

The ByPass Road project was executed at 3,500 meters above sea level, and consisted of the construction of 21 km of high mountain road that will allow local communities free movement, once the mining work begins.

Similarly, in Antamina, one of the largest copper deposits in the world, 420 km north east of Lima in the Huari province, construction work continues on Phase VI and Phase VII of the Tailings Dam Extension; work here is carried out at 4,200 meters above sea level and the dam body has a maximum height of 200 meters. The work involved increasing the height of the crest of the dam to be able to carry on operating the aforementioned mine. .

Well aware of OHL's commitment to the health and protection of its workers, in 2020 significant covid-19 protection measures were implemented in Peru.

Specifically, protection items were used, jobs were evaluated based on level of exposure, social distancing was increased depending on the working conditions, remote working was promoted, health controls were implemented at the entrances to the centres and detection tests for suspected or probable cases were conducted in order to avoid sources of infection.

In 2020 OHL's presence in Colombia was expanded through the obtainment of a new project: the construction of what will be the National Museum of Memory of Colombia, in Bogotá. This is the first building construction project that the Company has undertaken in the country, at the request of the Virgilio Barco National Real Estate Agency (ANIM). The initiative is conceived as a recognition of the consolidation of peace in Colombia and as a symbol of moral and historical reparation in memory of the victims of the armed conflict that took place in the country.

Five exhibition halls, spaces for the creation and exhibition of artistic works, a human rights archive, a documentation centre, a multifunctional theatre and other additional areas in which cultural activities will take place will be distributed throughout the almost 15,000 m² of surface area, organised on six aboveground floors and an additional seventh underground floor. The design of the future museum was chosen from more than 70 proposals submitted in the framework of an international architecture competition in 2015.

Also, in the field of civil engineering, construction work continues on the Quindío section to complete the Cruce de la Cordillera Central (Crossing of the Central Mountain Range), within the framework of one of the country's major road infrastructure projects, as well as the construction of one of the four sections that will make up the future Avenida Ciudad de Cali which will be part of the Transmilenio corridor in Bogotá. The construction contract for Avenida El Rincón from Avenida Boyacá to Carrera 91 in Bogotá is also progressing.

Added to these actions is the expansion of the Cúcuta aqueduct that will improve access to drinking water for nearly one million inhabitants of this Colombian city.

In Colombia, as in the other countries in which it operates, OHL has adopted a series of measures as part of the covid-19 protection plans.

In this regard, it has verified health conditions during access to construction projects, favoured teleworking, provided and promoted the use of collective and personal protective equipment, providing comprehensive training to all workers and collaborators.

Antamina tailings dam, Peru

Infographic of the future National Museum of Historical Memory, Colombia.

Europe

The business in Europe accounts for more than 31.3% of the sales of OHL's Construction area, of particular importance being markets such as Spain, the Czech Republic, Ireland, Norway and Sweden.

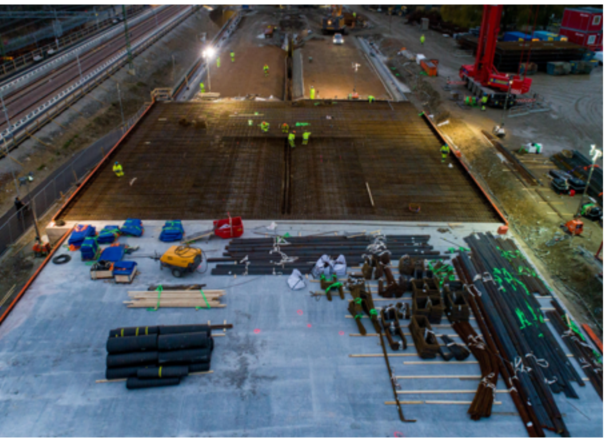
In Spain, the Company has strengthened its hospital backlog with the award of the expansion and renovation of the Albacete University Hospital Complex. Once the construction work is completed, the infrastructure will have a constructed area of 92,246 m², a total of 696 beds and 29 operating theatres.

Additionally, and also in the field of hospitals, in 2020 the construction of the new Toledo University Hospital (CHUT) was completed, in which OHL participated. Classified as a high capacity hospital. it is considered to be the largest hospital complex in Europe and will serve more than 434,000 inhabitants of 116 municipalities in the province of Toledo.

In the field of civil engineering, among other awards, the Company's participation in the construction of the Puerto del Rosario-La Caldereta Highway project (Fuerteventura) stands out. FV-1, FV-2 and FV-3 bypasses. This is the fourth section of the six that compose the north-south corridor of Fuerteventura, and includes the construction of a 17 km highway, of which 4.8 km will be used for the construction of second lanes on the current Puerto del Rosario ring road.

In addition, new projects were added such as the construction of a Technical Block building for Bilbao airport. The new building, intended to free up 20% of the capacity of the current passenger terminal, will have an area of 7,700 m² distributed in two staggered blocks of five floors each, designed to house, mainly, administrative activities and other ancillary services.

In Seville, OHL will participate in the execution of the northern access to the city, the Pago de Enmedio section, in the municipality of La Rinconada, phase 2, and will construct the new outfall tunnel and the collectors associated with the future Sinova WWTP, in the framework of the Sanitation of Soria initiative: WWTP and Outfalls, promoted by Aguas de las Cuencas de España (ACUAES).



OHL reaches another construction milestone in the Lund-Arlöv project. Sweden

The OHL-NCC consortium reached yet another construction milestone in the project they are implementing to improve the 8 km line between Flackarp and Arlöv (Malmö), one of the most noteworthy railway initiatives in Sweden.

Specifically, the new tracks built have been brought intro service for rail traffic. In reaching this milestone, more than 100 manual workers and technicians have taken part in the connection phase. Additionally, the two new permanent tracks that have been extended in the Southern Line have been brought into service, in a branch of approximately 3 km.

The project, awarded by the Swedish Transport Administration (Trafikverket), began in 2017 and is focused on doubling the capacity of the two original tracks with four new tracks.

The Lund-Arlov section is one of the main railway communication routes in Sweden, with an intensity of about 450 daily trains and 60,000 passengers, the railway communication flowing on this section from the Scandinavian peninsula to the rest of continental Europe. After the completion of the work, the capacity of the track will increase to 650 trains a day.

The work covers an approximate length of 11 km, of which 5 km will be underground in the towns of Akarp and Hjarup using substantially the same position of the original tracks, for which it was necessary to build two temporary tracks in a section of 5 km in order to expand and build the new four-track infrastructure. This led to the construction of both permanent structures for the future tracks and temporary structures for the diversion tracks, as well as completing the first half of a permanent station in the town of Burlov and two temporary stations in the towns of Akarp and Hjarup, respectively.

In the Czech Republic, through the subsidiary OHL ZS, the Company has contracted major projects in the railway field. These include the optimisation of the railway line on the Mstětice (excl.) - Praha-Vysočany section, including the reconstruction of the railway substructure and superstructure throughout the section, and the renovation work on the railway station building at Praha-Horní Počernice, for the location of railway technology and passenger check-in.

All of this is complemented by the reconstruction of the railway corridor from Dětmarovice to the Polish border, which includes the section between the Dětmarovice railway station and the state border with the Republic of Poland at kilometre point 292+625 with a total length of approximately 9.625 km. Mentioned should also be made of the electrification and capacity increase of the Libina-Uničov railway line and the Sudoměřice-Votice railway line, the latter focusing on modifications to the railway substructure and superstructure, platforms and communication equipment.

In the area of building construction, OHL ZS is constructing the building to house the offices of the Vysočina Region public authorities.

Throughout 2020 OHL continued with the execution of landmark construction projects in Ireland, where the National Forensic Mental Health Hospital is in the final stretch, and continues the construction of 465 new sustainable social housing units, while progressing in the execution of the EPC Ski railway contract in Norway, and in the improvement of the railway line between the Lund and Arlöv stations in Malmö (Sweden).

In addition, the Company shored up its presence in Sweden with the award, as part of a consortium, of the contract for the expansion of the railway section between Lund and Flackarp. It includes the construction of two new 3 km tracks to the west of the current ones, which will make it possible to increase the number of daily trains that circulate through the section from 450 to 650 units. With this new award, the consortium will take on the Lund-Flackarp section, that is, the entire line between Lund and Arlöv (Malmö), the main railway communication route through which the traffic of the Scandinavian peninsula passes to and from the rest of continental Europe.

Lagares WWTP receives the Segovia Aqueduct Award for Public Works and the Environment. Spain

The Vigo Sanitation initiative, which included the Lagares WWTP and in whose construction OHL participated, received the Segovia Aqueduct Award for Public Works and the Environment, granted by Fundación Caminos and the Galician Association of Civil Engineers, in the ninth edition of these awards.

This honour, which is national and has been granted every four years since its inception in 1998, highlights the positive impact of the infrastructure, as it has solved the environmental problems of the area in which it is located and in which the former treatment plant, which had been in operation since 1997, had previously operated.

The new Lagares WWTP, designed entirely by OHL and GS Inima technicians, is ground-breaking in its inclusion of a thermal hydrolysis system for the sludge, which increases the performance of biogas energy recovery. Furthermore, its design makes it the largest plant in Spain for biological treatment with biofiltration technology, and one of the largest in Europe.

Among its most noteworthy technical features is the system for the treatment of odours - the plant has a biological deodorisation system called biotrickling. The facility has also helped to improve the microbiological quality of the swimming areas, with the recovery of Blue Fag certification for Samil Beach and the creation of benchmark infrastructure within the sanitation engineering sector. In addition, a covered structure prevents noise and odour pollution and facilitates its integration into the urban environment.

This recognition joins the award for the best engineering work in the XI San Telmo Awards 2019, granted by the Galician Association of Civil Engineers, for its innovative nature; the Galician Architecture and Rehabilitation Award 2018, granted by the Galicia Autonomous Community Government; the Gran de Área Award 2017, granted by the Galician Association of Architects; and the international WEX Global Awards 2016 in the Water & Energy category, granted by the English company Water and Energy Exchange.

Elsan, essential works in road infrastructure during the pandemic.
Spain

The actions taken by the human team of OHL Services during the pandemic include the essential work carried out by the construction subsidiary, Elsan, in the upkeep of roads, airports, surfaces and urban structures throughout Spain.

Of note are the tasks undertaken on highways in Madrid, León, Granada, Lleida, Valencia and Castellón; surfacing and special features of the city of Barcelona; maintenance tasks and works carried out at the El Prat airport (Barcelona) and at the Adolfo Suárez (Madrid-Barajas) airport; and maintenance, remodelling and works service stations. Its customers include: the Ministry of Transport, Mobility and Urban Agenda, the Catalonia Autonomous Community Government, the Valencia Autonomous Community Government, the Barcelona City Council, Aena and the oil companies DISA and BP OIL Spain.

Elsan has a human team of more than 200 people, and environmental safety, quality and protection are fundamental aspects of its activity. It is a benchmark in its sector in technology related to surfacing and, especially, to bituminous road surfaces.

Adaptation of vehicles

Within its field of action, OHL's subsidiary adapted several of its road maintenance vehicles to carry out tasks to disinfect various streets and districts in Madrid and León, thereby helping to contain the spread of covid-19.

Outlook

In 2021 the geographical areas of the US, Latin America and Europe will continue to be the focus of OHL's construction initiatives.

In all the markets in which the Company is present, an exhaustive follow-up will be carried out on the initiatives and programmes that are put in place to boost infrastructure -a fundamental pillar for the countries' growth and development and the main element to help face a context of major uncertainty such as that provoked by the covid-19 global pandemic-.

Success stories

Harlem River Drive Connection.
New York, US

In November 2020, Judlau, OHL's subsidiary in the US, completed construction of the northbound connecting ramp of the Robert F. Kennedy Bridge to Harlem River Drive ahead of schedule. The success of the project was based on full coordination between Judlau, the project designer, Parsons Transportation Group and the customer, MTA Bridges and Tunnels (affiliate agency of the Metropolitan Transportation Authority).

It consisted of the design and construction of a ramp of approximately 430 meters (1,400 feet) in length, the objective of which was, among others, to facilitate access to Harlem River Drive and avoid the congestion of other surrounding roads commonly used by residents to access the area.

The new ramp allows vehicles to pass over First Avenue, Harlem River Drive and the Willis Avenue Bridge, and it is estimated that thanks to this connection the travel time of the population will be reduced, while preventing 17,000 vehicles from congesting other streets in East Harlem. It also entails an approximate reduction of 2,500 tonnes of greenhouse gases. From a public health standpoint, this gas reduction helps relieve pressure on asthma rates, something that is especially critical in the Harlem neighbourhood of New York.

This contract improves the city's connectivity, as well as safety and traffic flow for travellers. It also provides a higher quality of life in the surrounding community by reducing noise and the associated sound pollution, as well as traffic and air pollution.

The team's commitment to design and construction was fundamental to maintaining the progress of the project by generating ideas and optimal solutions in the framework of the health crisis, always with the maxim of protecting the health of all team members and workers.

Success stories

Measures in the Desná river.
Olomouc, Šumperk District. Czech Republic

Through its subsidiary in the Czech Republic, OHL ZS, OHL completed construction of flood protection measures in the Desná river floodplain. With an investment of CZK 309 million (approximately EUR 12 million) and extensive experience in this type of project, the actions focused on a combination of works that were both technical and respectful of nature and the landscape, on both banks of the Desná river.

The project includes a 2.6 km long section from the confluence of the Desná river and Merta creek to the Červený dvůr dam, which will become a moving weir, thus strengthening its capacity. Barriers, dykes, monolithic reinforced concrete structures, and protection walls will be created along the course of the river. The river's floodplain also includes parks and green zones that are accessible from both banks via wooden walkways and cycle paths. The additional purpose of this project is to be able to expand and strengthen this existing biological corridor in order to connect natural areas and to serve as an effective conservation strategy that makes it possible to preserve the biodiversity around the river, thereby avoiding the fragmentation of habitats.

The project also includes the construction of embankments and stone setts, as well as the installation of stainless steel gates at the entrance to a small hydroelectric power station and the construction of passes to facilitate fish migration.

All the measures implemented fulfil a function not only in terms of protection and transformation during major floods, but also especially in terms of landscape and conservation. Additionally, they will protect private properties near the river from the possible effects of floods and inundations.

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Success stories

Lund-Arlöv Four Tracks. Arlöv
Malmö, Sweden

One of the fundamental values behind this project was a commitment to the environment and sustainability. Accordingly, the NCC-OHL consortium, in collaboration with the customer Trafikverket, implemented a system of environmental incentives, in which the reduction of CO_2 emissions were prioritised and which took into account the environmental assessment of the various suppliers in its selection and contracting process. Thus, it has been estimated that the initially estimated amount of project emissions will be reduced by more than 15,000 tCO_2. In addition, other climate measures have been encouraged, such as the purchase of recycled steel and concrete with a lower impact on the climate.

It has led to significant achievements in terms of the circular economy and the reuse of materials. An analysis was performed of which parts of the facility were suitable for reuse and it was identified that 40% of the old track materials were reusable. Thus, in a ground-breaking move, after putting the new temporary tracks into use, the old railway tracks were dismantled into 180 m long sections to be used as rails in the Halland project in southern Sweden. This has made it possible to reuse approximately 20 km of rails and 12,500 concrete sleepers, leading to savings of approximately SEK 10 million (approx. EUR 1 million) and 2,200 tonnes of CO_2 emissions. Also, part of the material left over from the excavation was used to create sound barriers that help reduce the impact of noise emissions and the adverse effect on neighbouring communities surrounding the project.

The efficiency measures in the use of resources, reuse of materials and the fight against climate change established in the project represent a saving equivalent to approximately 200 trips around the world in a petrol-powered car.

Success stories

EPC Ski project. Norway

As part of the Follo Line high-speed rail project, which links Oslo to the municipality of Ski, south-east of the capital, the EPC (Engineering, Procurement and Construction) Ski contract includes the reconstruction of the Ski railway station, the redevelopment of the station surroundings and all the railway facilities related to the reconstruction of the existing line and the new line. It covers a total section of 3.5 km and the work area extends from the southern exit of the Follo Line tunnels to the area south of the town of Ski.

Within the area of the railway station itself, six tracks and three central platforms have been built, as well as a new underpass for pedestrians, a new road bridge, a bus terminal and an enlarged car park. The EPC Ski Project, as part of the Follo Line project, will improve connectivity and efficiency in rail transport, favouring its integration in harmony with the urban landscape of the area.

From an environmental standpoint, in the execution of the project, measures have been taken that are committed to energy efficiency and the reduction of greenhouse gas emissions. Thus, 50% of the fleet of vehicles used in the work are ecological and all are fully electric. Additionally, an active pollution control programme has been put in place, both for acoustic pollution to reduce the incidence of noise on nearby communities and for dust removal on highways and roads. Also, the waste produced has been strictly controlled, achieving a sorting rate of 90%.

The EPC Ski Project represents an improvement in the economic revitalisation of Ski, added to the substantial improvement in mobility, whilst reducing traffic problems in the south of Oslo at peak times. In addition, it is estimated that it will make it possible to reduce Oslo-Ski travel time by around 50%, thus improving users' quality of life. Furthermore, the infrastructure will promote sustainable mobility, encouraging people to use the train in their journeys to and from Oslo instead of using private vehicles and, therefore, will reduce the carbon footprint left by travel.

Success stories

The Mexico-Toluca intercity train. Mexico

OHL, a través de Constructora de OHL, through Constructora de Proyectos Viales de México (CPVM), its Mexican construction subsidiary, is constructing the railway line between Toluca and Mexico City. Toluca, capital of the State of Mexico and seat of the municipality of Toluca, is 66 km from Mexico City. It has a population of over 820,000 inhabitants, which rises to 2.17 million in the metropolitan area of the Toluca Valley. This large population generates strong demand for journeys to the capital of the Republic and justifies the Toluca-Mexico City interurban train project as a mass passenger transport line between the two cities.

The development of this project requires a significant commitment to the implementation of good environmental practices. For this reason, its construction stage includes various environmental actions such as the reforestation of Protected Natural Areas, where flora (the rescue of 245,870 plants known as Lampranthus sp) and wild fauna relocation programmes are carried out, as well as specific initiatives involving supervision, protection and conservation of soil. In this connection, specific actions have been carried out to protect biodiversity, through the State Commission for Natural Parks and Fauna (CEPANAF), with reforestation campaigns carried out to maintain biodiversity in the Insurgente Miguel Hidalgo y Costilla National Park and El Molcajate peak in San Juan Coapanoaya. In addition, in line with a circular economy in the development of the project, the reuse and recycling of the various elements is encouraged in order to give them a second life. For example, much of the wood generated is later donated and used as fuel in nearby communities.

From the social standpoint, the execution of this project revitalises the local economy with job creation in the area, thanks to the local hiring of 10,418 people with profiles that exhibit a higher level of social vulnerability. In addition, it should be noted that, during the performance of the project, and in connection with covid-19, specific programmes were set up for the donation of virus protection and prevention supplies (masks and hand sanitiser) to the staff of the State Commission of Natural Parks and Fauna (CEPANAF). Also, since the beginning of the project, there has been close collaboration with the Banco de Tapitas association (as part of a bottle cap recycling project) to support the chemotherapy programme for children.

Success stories

Américo Vespucio urban toll road. Santiago de Chile, Chile

OHL has been participating in one of the largest transport infrastructure projects in Chile, namely, the construction of the Américo Vespucio urban toll road, in Santiago de Chile, an infrastructure project in which the Company participates in a consortium and runs for 9.1 km.

The construction of the toll road in the section that that runs through the communes of La Reina, Las Condes and Vitacura includes, among other actions, 12 tunnel fronts with sections up to 28 m wide. It also has two levels and three lanes at each level and in each direction.

In the communes of Recoleta and Huechuraba, the project is completed by the construction of a 1.3 km viaduct. The trench sectors and the viaduct are connected by a 2.0 km tunnel under Cerro San Cristóbal, with three tracks running north to south, two crossover caverns and a branch of two tracks of almost 1.0 km in length.

The interior of the infrastructure will have an advanced redundant ventilation system, pressurised emergency exits, fire detection and protection system, LED lighting, electrical rooms and various pumping wells, as well as control systems for all the systems installed.

From an environmental standpoint, the project also includes landscaping works that affect a surface area of 110,000 m² along Américo Vespucio Avenue, and the construction of a cycle path, level crossings that guarantee accessibility to people with reduced mobility, a skate park and two recycling points.

Of particular note is the proper management of water during the excavation of the La Pirámide tunnel, in which the water is reused by means of two decanting plants that allow the water to be used in other phases of the construction process, as well as in the damping down of roads to reduce suspended dust particles. Additionally, the material from the excavations is recycled for the manufacture of concrete and various structural fillings. The volume will reach 1,200,000 t.

Once the project is completed, the infrastructure will contribute to improving the connectivity of the city, reduce the travel time through the eastern sector of Santiago de Chile, reduce the level of noise pollution and increase the integration of overland pedestrian mobility.

Industrial

In 2020 the Industrial business obtained revenue of EUR 166.3 million. This result was affected by the consequences of covid-19, as the time taken to perform the projects in progress increased. EBITDA increased by 10.2% to EUR 10.8 million in 2020.

There were 844 workers in the Industrial Division in 2020, and while the number remained stable with respect to 2019, there was a change in the geographical centre of gravity from Colombia to Chile that was determined by the development of new projects in the renewable energies and mining areas.

In 2020 operations were focused on the Renewable Energy, Mining and Cement and Fire Protection business lines, the sales volumes of which were as follows:

SALES: DISTRIBUTION BY BUSINESS AREA

Mining and cement	EUR 84.5 million (51%)
Renewable energies	EUR 54.7 million (33%)
Fire protection facilities	EUR 11.6 million (7%)
Other	EUR 15.5 million (9%)

Also worthy of mention is the increase in activity in Chile, which accounted for 82% of sales in the year.

Chile	EUR 141.9 million (85%)
Spain	EUR 10.8 million (7%)
Mexico	EUR 4.6 million (3%)
Jordan	EUR 5.0 million (3%)
Oman	EUR 4.0 million (2%)

PROJECTS PERFORMED

The most noteworthy projects in the Renewable Energies area in 2020 were the 87 MW La Huella solar PV plant and the 50-MW La Estrella wind farm, both of which are located in Chile.

Worthy of note in Mining and Cement was the execution of a copper sulphide processing plant in Chile for Mantos Copper. This is an important milestone as it is the Industrial Division's first incursion into the wet copper sulphide treatment process. A portion of the equipment assigned to this project was used on own design and manufacture through OHL Industrial Mining & Cement.

Recurring activity in the Operation and Maintenance business line was maintained, both of projects executed by the Industrial Division and those commissioned by third parties. Of particular note, among others, are the solar PV plants in Zafra (Spain) and Aguascalientes (Mexico); the maintenance of compressor stations for Transcanada, also in Mexico, and several contracts for Codelco in Chile.

In the Fire Protection business line, the incursion into the international market was significantly strengthened, as was the consolidation of reference domestic customers, in the business line's three core activities: active protection, passive protection and textiles.

NEW PROJECTS AND OUTLOOK

The number of contracts entered into for new projects both in renewable energies and in mining and cement slowed in 2020 as a result of investor uncertainty caused by covid-19. Accordingly, decision-making was put back until 2021. Despite this, important contracts were closed, such as for the design, (partial) supply, construction and start-up of the Fotosfera, Sunplex and Kissoro solar PV plants in Granada, Spain, with a total power of 150 MW.

It must be stated that in 2020 the development began of proprietary renewable energy projects and that OHL currently has solar PV projects in progress in Spain (450 MW) and Chile (110 MW). The aim is to have a portfolio of 1 GW of projects under development in 2021.

The positive outlook for growth in the renewable energies industry in the countries in which the Industrial Division is currently present, as well as the opportunities in development, enable us to

be optimistic as regards the possibility of being awarded new construction projects over the coming years and continuing to make progress in the development of proprietary projects as a vector of the Industrial Division's growth.

The opportunities detected in the Mining and Cement business and the bids presented but not yet awarded, especially in Chile, also give reason for optimism regarding contracts being entered into for new projects.


Aguascalientes Photovoltaic Plant. Spain

Success stories

Internship programme. Higher Technological Institute of Perote and Cosamaloapan. 100 MW PEROTE II solar PV plant.

Perote, Veracruz, Mexico

In Mexico, The Perote II solar PV plant was built in Perote, Veracruz, with a capacity of 100 MW.

In order to promote the academic development of students and to offer them a unique opportunity to apply their theoretical knowledge and promote the integration of the facility in the community, a total of 14 students joined the project as interns throughout the execution thereof (approximately 12 months) as part of a cooperation agreement reached with the Technological Institute and the Higher Technological Institute of Cosamaloapan, where they are studying engineering in renewable energies.

Benefits for the community:

The agreements entered into enabled:

- Training to be provided to 14 students of engineering in renewable energies. This training enabled the students to acquire knowledge in various project disciplines, such as quality, the mechanical, electrical, civil engineering and industrial safety areas.
- Work on the development of the plant counted as professional placements to enable the students to obtain their engineering degrees.
- In the operation and maintenance phase, the end customer included these young professionals in the operating team, and one of them is now working professionally at the Aguascalientes Sur II solar PV plant, which was also constructed by OHL Industrial México (IEPI).
- During the development of the project, partially damaged panels that could not be used were donated to the Perote Institute of Technology for use in classrooms so that students can understand their structure and the way they work.
- During the execution of the project, donations of wood were made to the nearby communities of El Frijol Colorado, San Antonio Limón, Totalco and Orilla de Monte.

Environmental impact:

The construction of the solar PV plant represents a significant saving in emissions in comparison with the use of other energies, since each KWh generated by solar PV energy replaces the emission of CO_2 into the atmosphere with the production of clean energy.

Success stories

Paper saving using Open Platform Communications (OPC). Spain

One of the Industrial Division's commitments to environmental protection is paper saving on projects and offices. Working towards this objective is possible as a result of the use of digital operational management and control tools such as Open Platform Communications (OPC).

Among other functionalities, this platform allows the project's Inspection Point Plans (IPP) to be loaded in order to manage and share all the inspections included in them and establish a flow of approval signatures so that each stage of the IPP can be accepted.

The platform includes a non-conformance management model, in which non-conformances of projects and audits are included, as well as those included in the management system itself.

In 2021 the tool is in the process of being extended with various modules for the maintenance of fire protection, security and environmental systems and other indicators that enable a large quantity of information to be shared in real time, data to be extracted simply and savings to be made in raw materials, management time and the related economic costs.

Benefits for the community and the environment:

The benefits obtained are savings of raw materials such as paper and printer ink, water and fuel used in travel and mobility, and energy.

The reduction in the use of paper resulting from the use of this application gives rise to a direct decline in the use and felling of trees and the consumption of water, inter alia. It is calculated

that an average of 12,000 sheets of paper are obtained from the cellulose of a tree, and 1.25 litres of water are used to transform that cellulose into each sheet of paper.

The cumulative data regarding the use of this operational management tool in 2020 reveal the following savings:

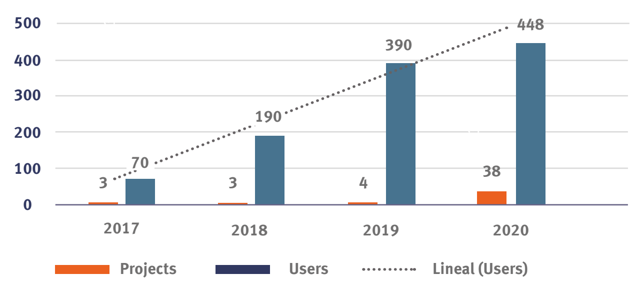
- 563,778.00 sheets of paper.
- 681,182.90 litres of water.

OPC also has a menu function called Output Delivery System (ODS), which generates a table with all the data on savings by project, equivalent to the number of trees saved and the number of litres of water not used.

By reducing the amount of paper used in everyday activity, the Industrial Division contributed directly to saving the environment.

In 2021 the tool is in the process of being extended with various security inspection and environmental modules and other indicators. This enables us to share a large amount of information in real time and extract data simply while also making greater savings in raw materials such as paper, water, fuel, travel, printer ink, etc. In 2020 a total of 448 users who were either employees from the Industrial division or those of subcontractors and other parties involved, handled application documents.

Data on projects implemented



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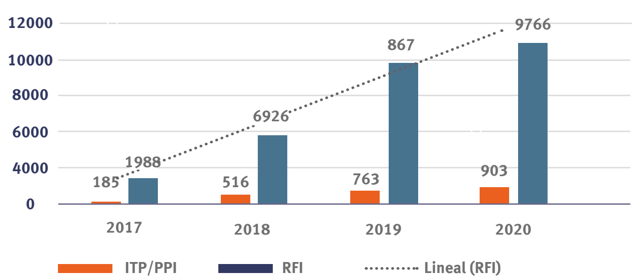


Concessions

OHL has close to two decades' experience in the infrastructure concession business. The company's strategy, which is implemented through Senda Infraestructuras, a company incorporated in 2019 focusing on the development of greenfield projects (which includes projects at commencement), is to form part of projects in which it can contribute its experience as a concession operator, while the main capital is provided by financial partners, such as investment funds specialising in infrastructure.

Senda focuses its activity on the development of concessions in the three geographical areas in which OHL currently has a stable presence: Europe, Latin America and the US, and explores alliances with local construction partners with renowned experience.

ACTIONS IN 2020

In 2020 the Torc Housing Partnership consortium, of which Senda Infraestructuras, a subsidiary of OHL, forms part together with its strategic partners Equitix, Kajima and Tuath, continued the project to design, finance and build, on a public-private partnership (PPP) basis, 465 new sustainable social housing units for an investment of more than EUR 130 million.

This project, under the availability payment model (fixed payments by the grantor) covers the construction and maintenance of 110 apartments and 355 houses and incorporates the provision of management and maintenance services after construction for a period of 25 years.

In addition to this PPP award, Senda also manages the Port of Roda de Bará (Tarragona), the Urola Marina (Zumaia), Burgos Hospital, CHUM Hospital (Canada), Toledo Hospital, the Navarre water concession operator, the police stations of Horta and Sant Andreu (Barcelona) and the Justice Centre in Santiago de Chile, which, with eight buildings and a total surface area of 120,700 m², is one of the largest administration buildings in Latin America and the main centre of activity of the Chilean court system. To these concessions must be added Senda's participation in the unincorporated temporary joint ventures (UTEs) that operate the New Toledo Hospital and the management company Navarra Gestión del Agua.

NEW TOLEDO HOSPITAL (CHUT), THE LARGEST HOSPITAL IN EUROPE

EThe new Toledo University Hospital (CHUT) is considered to be the largest hospital complex in Europe and will serve more than 434,00 inhabitants of 116 municipalities in the province of Toledo.

Inaugurated in November 2020, it was built by an UTE in which OHL holds a 33.34% stake. The hospital has been granted a 30-year concession period for non-clinical services by the Castilla-La Mancha Health Service (Sescam).

Defined as a high capacity hospital, CHUT has a gross building area of more than 245,000 m² distributed among seven buildings organised around a central street that functions as a public space and connects the various hospital services. The complex has 1,142 beds -of which 760 are for hospitalisation and 382 for other uses-, 147 outpatient consulting rooms, 97 examination rooms, 120 outpatient posts, 42 emergency observation posts and 65 treatment posts and examination boxes.

PPP housing units in Ireland

Toledo University Hospital (CHUT). Spain.

Agreement for the sale of the concession operator of the New Toledo Hospital

As part of its policy of rotating mature concession assets, on 23 November 2020 a purchase and sale agreement was entered into for the sale of shares and assignment of receivables relating to the sale of the ownership interest held by OHL in the concession operator of the New Toledo Hospital to a fund managed by DIF Capital Partners. Specifically, 33.34% of the share capital of Nuevo Hospital de Toledo S.A. and all the share capital of Mantohledo S.A.U., which has a 33.33% ownership interest in the UTE operating the concession, were sold.

The initial selling price of the transaction was set at EUR 76.1 million, subject to last-minute adjustments due to changes in cash that are usual in these transactions and that refer to the definitive transaction closing and settlement dates. The closing and settlement of the transaction are subject to the obtainment of authorisations and the achievement of certain habitual terms and conditions in this type of transactions. OHL expects to obtain a gain of between EUR 45 million and EUR 50 million on this transaction, which will be completed in 2021.

OUTLOOK

Senda Infraestructuras is ready to add new assets to its backlog, with a commitment to promoting and developing concessions that generate construction contracts with attractive margins, minimising capital contributions and with a firm asset rotation policy,

The aim for the future is for 30% of OHL's backlog to be made up of concession projects in which the gross construction margins contribute to improving the Company's profitability. This business volume, together with an asset rotation policy, will enable the estimated amount of funds required to invest capital in each new concession contract to be covered.

Development

The real estate industry was also severely affected by the pandemic; its effect on the office market and certain segments of the retail market was more structural, while its effect on the tourist market was more circumstantial. In the hotel segment, demand practically disappeared during a large part of 2020, although it is expected to recover rapidly once the risk of contagion while travelling has been reduced by vaccinations.

In this connection, the residential market did not suffer a significant impact, although certain trends changed as a result of the lockdown measures imposed.

Despite this backdrop, OHL continued with its value generation policy through its Development business line, focusing its activity on the participation in mixed use projects, from the initial phase until they reach the maturity level required for divestment.

CENTRO CANALEJAS MADRID OPENS ITS DOORS

In 2020 the Development area made headway on the final phase of the Centro Canalejas project in Madrid (CCM), in which this division and Mohari Limited hold ownership interests on an equal footing basis. The complex situation caused by the health pandemic did not prevent the Four Seasons hotel from opening its doors on 25 September, although occupancy in the first few months of operation was also affected by the domestic and international mobility restrictions imposed by the authorities.

Also in 2020, the sale was completed of the 22 branded private residences which, in a pioneering move, may avail themselves of the hotel's services. This was a success as regards the rate at which sales were made in a project that became, without any doubt, the greatest milestone in the real estate market in Madrid (Spain) in the last few decades. With this product, OHL's Development area managed to position itself as one of the benchmark developers in Spain in the premium residential segment, due both to the novel concept of the branded residences, which have all the services of the Four Seasons Hotel Madrid available to them, and to the quality of the construction and their interior design, which is based on clean, contemporary lines.

The first phase of the opening of the Galería Canalejas was completed. This commercial and gastronomic space will house more than 40 boutiques of prestigious brands such as Cartier, Rolex and Hermès, which inaugurated its new boutique in October. It must be stated that the pandemic slowed down the rate at which contracts were entered into with international fashion, jewellery and accessories brands, and restaurants for the future Food Hall. Despite this, Galería Canalejas will foreseeably be fully open in the second half of 2021.

In addition, a 400-space car park has been built, the Sevilla Metro station has been renovated and urban development work has been undertaken in the area in which the complex is located that has allowed the centre of Madrid to become a sustainable space in which pedestrians play the leading role.

OLD WAR OFFICE

In 2020 work continued on the refurbishment and conversion of the Old War Office, a building with a surface area of more than 54,000 m² of high artistic and historical value, located in London (UK). The project, developed by OHL's Development area in a consortium with the Hinduja Group, is for a luxury hotel operated by the Raffles brand and branded residences. After construction, this project will constitute a new attraction in the UK capital, thus creating parallels with the effect the Centro Canalejas Madrid has had on the Spanish capital. Once this objective has been achieved, the Company's future plans for this UK project are for the divestment of the financial investment at short term, when the circumstances for doing so are more favourable.

Mention must be made of the fact that the project suffered certain delays in the construction phase due to the health crisis, although these delays were not significant.

OUTLOOK

OHL's Development area's short- and medium-term future will be articulated around two main strategic axes: on the one hand, capitalising its extensive know-how in the hotel and residential sectors, boosted by new initiatives focused on the high quality and premium segments, while pointing its new projects towards shorter execution and marketing cycles. Also, work will continue to identify operating and business synergies with other branches of the activity of its parent, OHL.

AGGREGATES

Financial investment and subordinated debt - Canalejas Project: EUR 192.9 million.

Financial investment - Old War Office Project: EUR 95.4 million.

Centro Canalejas Madrid contributes to boosting tourism in Madrid and the Spain brand

Coinciding with International Tourism Day, and as part of the City's Acknowledgement to Madrid Tourism awarded by the City Council, the Four Seasons Hotel was recognised as a project of special tourist interest for Madrid. This distinction highlights good tourism practices in Madrid while underlining the work done by OHL in recovering the CCM.

In addition, CCM was awarded best non-residential property construction at the 17th ASPRIMA-SIMA 2020 awards, organised by the Association of Madrid Property Developers (ASPRIMA) and the Madrid Property Exhibition (SIMA). This is one of the most prestigious industry awards and highlights the considerable urban development and technical complexity of the CCM project, as well as its significant positive impact for the city.

Success stories

Around 400 SMEs participated in the renovation and refurbishment of the CCM.
Spain

An investment of more than EUR 600 million and the generation of more than 5,000 jobs over eight years of work; these are some of the figures illustrate the process of construction and development of Centro Canalejas Madrid. To these can be added the backing of small- and medium-sized companies, a fact that pays testament to the Company's commitment to Spain's industrial fabric and to the goal of shedding light on an industry such as arts and crafts. For this reason, OHL was assisted by more than 400 SMEs specialising in several disciplines focusing on the conversion of seven buildings, some of which are more than 100 years old, in a unique space where high historical value and cutting edge sustainable architecture and energy efficiency coexist.

More than 17,000 decorative items restored

In addition to several construction activities aimed at renovating and refurbishing the seven original buildings, master craftsmen have worked on the restoration of more than 17,000 decorative items of great artistic value, including stained glass windows, marble, grilles, lamps and slate roofs, which were catalogued, recovered and relocated, mostly in their original positions. Noteworthy because of their uniqueness and great value are the stained glass windows at Alcalá 14 and Alcalá 10, the marble door frames, bronze capitals and art deco grilles. Also, around 8,000 m^2 of frontage was restored.

Prestigious recognition

The restoration work on the stone elements won the Macael Prize, in the National Prize category, in the thirty-third edition of these awards granted by the Association of Marble Businessmen of Andalusia (AEMA).

This award, the most important in the natural stone sector in Spain, recognised the recovery and restoration work on marble, granite, onyx and carved stone, mainly, and the creation of replicas of elements, replacing the originals, which were unable to be recovered due to their significant level of deterioration and which have been located in the places that they were originally housed in.

Success stories

Green roof on the CCM. An action aligned with prestigious sustainability criteria.
Spain

One of the features that makes Centro Canalejas Madrid a complex that is aligned with the most prestigious sustainability and energy efficiency criteria is the application of specialised measures and practices in this area. Of particular note among all these measures is that the roof of the buildings is protected by a layer of sedum (various species of vegetation) covering a large part of the roof surface which requires a minimum amount of maintenance as the plants store their own water. The green roof also has a drainage system that retains a portion of the irrigation water and rainwater that the plants subsequently need. These species are popular because of the significant amount of oxygen that they give off. The same is true regarding the vegetation on the vertical green wall in the interior patio of the Four Seasons Hotel; this was installed in response to the requirements laid down by the US Green Building Council (USGB).

The green roof is one of the items included in the LEED for New Construction and Major Renovations (LEED-NC) programme, which assesses efficiency in both the architectural project and technical installation phase and the construction, entry into service and use phase. It must be stated that OHL implemented this programme with the aim of achieving the prestigious LEED® Gold (Leadership in Energy and Environmental Design) certification, an international environmental distinction developed by the US Green Building Council (USGBC).

This certificate also recognises the use of alternative energies, the improvement of interior environmental quality (geothermal systems), the efficient use of water, the sustainable development of unused areas of the land lot, the treatment of residual water and the selection of materials (locally-sourced materials in order to reduce the carbon footprint).

Success stories

Centro Canalejas Madrid: transforming the heart of the city.
Spain

The renovation of the seven historic buildings in the triangle formed by Alcalá and Sevilla streets and Carrera de San Jerónimo has boosted the socio-economic recovery of this area in the heart of the Spanish capital, which had been exposed to gradual decline.

To this must be added the configuration, in its sphere of influence, of a new focus of attraction for high-level visitors and the positioning of the city as a high-level international tourist destination. All this as a result of Canalejas' privileged position in the museum area extending from the Palacio Real to the Prado, Thyssen-Bornemisza and Reina Sofía art galleries.

Also, Centro Canalejas Madrid has given rise to a complete, profound transformation of its urban environment. This now boasts new street furniture, pavements, gardens and lighting, the pedestrianisation of the area has been increased, with the consequent reduction in road traffic and noise levels, and, therefore, a notable improvement in environmental health indices.

Lastly, this project is exercising a 'bandwagon effect' on numerous international brands, both in the hospitality industry, which has already led to the opening of new five-star establishments in the Barrio de las Letras and the Gran Vía, and in retail, which in turn is aiding the recovery and renewal of the commercial fabric of the centre of Madrid.

Services

2020 was marked by the consequences of covid-19. Certain activities carried on by Services were declared "essential", and, accordingly, they continued to be provided in during the health crisis. In general terms, all the segments of activity -cleaning, maintenance, urban and social and healthcare services- saw their business volumes fall after years of mild but uninterrupted growth, and, therefore, the increase in sales that OHL Services achieved is an increase in market share in each segment.

The need to continue business activity and face this challenge during the state of emergency meant that no furlough-type arrangements were applied at Central Services, and the focus was placed, above all, on the safety of employees and customers.

As a result of these actions, AENOR issued a Certificate of Prevention Protocols against covid-19 in recognition of the actions that OHL Servicios-Ingesan carried out in the fight against the pandemic in its offices in Spain. This certificate recognises the Company's endeavours to endow its work spaces with the measures required to guarantee the health and safety of its employees, in accordance with the specific regulations established by the certifying entity and which are aligned with the measures included in the Plan for Returning to the Office, initiated by OHL, and the recommendations given by the health authorities.

In the area of indoor cleaning, OHL Services strengthened its business activity in the fight against the pandemic in certain sectors, hospitals and means of urban transport, while other sectors came to a halt. Such was the case of educational centres, airports, shopping centres and administration buildings, as a result of total or partial suspensions of contracts, with consequent falls in billings. Specifically, during the state of emergency, 40% of public customers and 60% of private customers suspended their cleaning services; and in those that did continue to work, the increase in absenteeism, the excess cost of protective equipment, products used and the protocols required adversely affected this business area's bottom line.

In Urban Services, provisional figures show that in the integral waste management industry, collection, transport and treatment suffered a significant fall in activity of close to 15%, caused by the reduction in the generation of waste from companies' ordinary activities as a result of the pandemic, especially companies related to leisure, tourism and industry. Services and facilities, which had been sized to manage waste at growth rates of around 1% per year since the last crisis, was hard hit by a reduction in the tonnage to be handled, with falls in both revenue and margins in all the activities in the integral management cycle.

Street cleaning, however, remained stable and even increased as a result of the need to strengthen the workforce for the disinfection work on various elements of the roadway.

The area engaged in the maintenance of urban green areas also offset the reduction in work on green infrastructure in towns and cities, with the adaptation of work equipment in order to collaborate on the work to disinfect items in this type of space.

In the Maintenance and Energy Efficiency activity, facility improvement and major repair items, which are very important to business in terms of billings and margins, were put back to the end of the year. In this area efforts were also made to combat covid-19 by putting into practice disinfection solutions using ultraviolet light (UVC) and in-duct photocatalysis, in addition to keeping critical facilities operational such as hospitals and health centres. However, in the field of maintenance and small refurbishment work, there was a significant downward impact due to lockdown during the state of emergency.

The social and health activity, which mainly engages in home help services, is a special case, and activity in this area fell significantly as a result of the increase in absenteeism and

OHL Services employees in an Institut Catalá de la Salut (ICS) primary health centre. Spain

Conservation and maintenance service of green and landscaped areas. Spain

a reduction in the services rendered due to the voluntary isolation of users.

In this area, as in the management of retirement homes, OHL Services made a great effort to protect employees and users during the most difficult part of the pandemic. In this connection, the Catalan Autonomous Community Government relied on Acurat, a subsidiary of OHL Servicios engaging in social and health services, to manage retirement homes in critical emergency situations. The increase in costs relating to the expense of protective equipment, absenteeism and the fall in sales due to the cancellation of services adversely affected the profit for the year.

OHL SERVICES BUSINESS

In 2020 Services' sales amounted to EUR 300 million, representing an increase of 4.4% over 2019, with harmonised growth in all the business areas: facility management, urban and social and healthcare services.

In terms of international activity, Chile experienced progressive growth, with an increase in its billings of 42% to EUR 16 million, while Mexico remained stable.

Royal Decree-Law 8/2020 and the extraordinary measures taken to address the health crisis in Spain established the legal framework for action around three fundamental matters for OHL Services: the declaration of certain activities as essential, the regulation of public procurement and labour flexibility measures. This is how the mechanism was established to enable public authorities -80% of OHL Services' backlog- to fully or partially suspend contracts in force and pay only certain expenses that do not cover the full amount of the costs of the service. The Company made a non-traumatic effort to adapt its workforces to accommodate the costs of the service mainly labour costs- to the revenue resulting from this reduction, with a total of 31 furlough-type arrangements affecting 463 employees.

As a consequence of all the above, Services continued the upward trend in its EBITDA, from EUR 12.4 million in 2019 to EUR 15.5 million in 2020, which represents 5.2% of sales (an increase of 25.1%), and was the only company of comparable companies in its industry to have increased its sales and profit in 2020, a circumstance even more noteworthy considering the complex nature of the year. This success for the Company is due mainly to the solidity of its commercial backlog, its ability to adapt, its resilience in times of crisis and its customer orientation. .

In terms of cash generation, Services had a very difficult year, as the trade receivables accounted for in the balance sheet rose because the average collection period from certain institutional customers lengthened as a result of the worsening of public accounts due to reductions in revenue from tax collection due to the halting of economic activity and the increase in extraordinary expenses due to covid-19.

NEW CONTRACTS AND BACKLOG

The pandemic caused many difficulties in the arrangement of new contracts in 2020 due to the stoppage of activity during the state of emergency, since all contracting procedures were suspended during this period, without the possibility of being recovered in subsequent months due to the sluggishness of the administrative procedures. Despite the above, the Company managed to enter into new contracts for EUR 330 million in 2020, 18% more than in 2019, which increased the backlog by 10% to EUR 395 million, or 16 months' sales.

NEW CONTRACTS AWARDED IN 2020

OHL Services has a backlog of more than 500 contracts in force, including the following new contracts in its various business lines:

Cleaning

- General cleaning services and related services at the Ministry of Defence facilities (Spain). Lots 2 and 6. Duration: 24 months. Budget: EUR 29.0 million.
- Cleaning service at the centres of, and establishments under the auspices of, the Health Care Area of the National Health Care Management Institute in Ceuta. Duration: 24 months. Budget: EUR 5.6 million.
- Cleaning service at facilities of Manresa Municipal Council. Duration: 36 months. Budget: EUR 5.1 million.
- Cleaning services for Falabella Retail Chile. Duration: 36 months. Budget: EUR 1.2 million.

Social and health care sector

- Home Help Service of the Narón Municipal Council (A Coruña). Duration: 24 months. Budget: EUR 5.5 million.
- Home Help Service of the Albolote Municipal Council (Granada). Duration: 60 months. Budget: EUR 4.6 million.
- Home Help Service of the Irún Municipal Council (Guipúzcoa). Duration: 24 months. Budget: EUR 3.4 million.
- Integral Management of a Retirement Home and Day Centre of the Chillón Municipal Council (Ciudad Real). Duration: 24 months. Budget: EUR 1.2 million.

Maintenance

- Integral management service of buildings and facilities of centres under the auspices of Sierrallana Specialised Care Management in Torrelavega (Cantabria). Duration: 24 months. Budget: EUR 2.5 million.
- Integral start-up and maintenance service of the building and facilities at the Interdisciplinary Research Centre in Alcalá de Henares (Madrid). Duration: 48 months. Budget: EUR 1.8 million.
- Integral management of the facilities in the buildings of the Lower House of Parliament. Duration: 24 months. Budget: EUR 3.8 million.
- Response service to 072 REUR (72-hour Urban Response Service) incident-resolution requests. Duration: 24 months. Budget: EUR 2.7 million.

Urban services

- Concession of the public municipal waste transfer and treatment service in the Écija district (Seville). Duration: 10 years. Budget: EUR 2.5 million.
- Maintenance and improvement service of municipal green areas in Fuenlabrada (Madrid). Duration: 4 years. Budget: EUR 2.9 million per year.
- Management of the urban cleaning and waste collection service in Loja (Granada). Duration: 10 years. Budget: EUR 1.7 million per year.

OUTLOOK

The global uncertainty caused by the pandemic in 2020 is ongoing. In Spain, where OHL Services performs more than 90% of its activity, the Bank of Spain forecasts GDP growth in a range of between 4.2% and 8.6%, depending on the final contribution of European funds and the evolution of the health crisis.

In this scenario, OHL Services' forecasts for 2021 are for the rate of growth of recent years and profitability to be maintained, with a cash flow profile that will be determined by public authorities' ability to pay. These forecasts are based on the historical trend of the backlog and of the essential services area, the variations in which are lower than other industries where the discretionary power to halt or reduce activity is lower.

Cleaning

Despite the reduction in billings in the industry in 2020 and the uncertainty of 2021, leading companies in the industry such as OHL Servicios-Ingesan are gaining market share due to the efficiency of their procedures, the introduction of innovative elements -such as the autonomous UVC disinfection robot-, capacity of response in crises and efficient management. The trend towards the concentration of operators due to the need to introduce more technology to the activity and give employees more resources is expected to continue.

Social and health care sector

Numerous services were cancelled and there was a fall in new services being arranged as a result of the safety protocols implemented and the reticence of potential customers in a scenario heavily influenced by covid-19. At 2020 year-end, revenue of companies managing private residences could have fallen by 8% and that of companies managing public residences 2%, according to industry estimates. Revenue from other areas such as home help services, telecare, etc. fell in the same proportion.

The fall in demand is giving rise to a considerable increase in price competition and an increase in the related selling costs, partly as a result of the implementation of strict safety protocols. These factors indicate that there will be a considerable reduction in margins.

Over the coming months there will continue to be an increase in the level of concentration of supply, and large groups and acquisitions of residences are expected to be made by large groups and investment funds.

Despite the above, the outlook for OHL Servicios-Ingesan for 2021 is for growth with an improvement in profitability, on the basis of new contracts entered into and the opportunities expected to arise in the year.

Building maintenance

Following six years of sustained expansion of the industry, with growth of 3% in 2018 and 2.5% in 2019, (to EUR 8,690 million, 58% of which relates to building maintenance, of which in turn around EUR 1,900 million were assigned to lift maintenance), billings from building maintenance activities were estimated to have fallen

OHL Services-Ingesan employees. Spain

by 5% in 2020 to EUR 8,300 million; and according to special DBK reports, a slight recovery of 2% in 2021 is foreseeable, without reaching pre pandemic billing levels. Building and facility maintenance.

Market concentration continues to be low, with the ten largest companies having a market share of 26%, four of which operate in the lift market. Also, three of the companies remaining in the market operate mainly in the industrial sphere.

The reduction in the items assigned to refurbishment and adaptation was a result of the economic situation, which will give rise to lower margins.

OHL Servicios-Ingesan expects significant growth in this area in 2021, with particular emphasis on energy efficiency and street lighting.

Urban services

The generation of waste as an indicator of economic activity will be closely linked to the evolution of the pandemic, and, accordingly, generation rates similar to those of 2019 are not expected until at least the last quarter of 2021.

However, there is expected to be an industry-wide increase in street cleaning and the maintenance of green areas due to the incorporation and systematisation of the disinfection and control of street infrastructure required by the anti-covid-19 protocols.

OHL Services expects to increase the number of new contracts and sales, as it has done in the last few years, despite the enormous competition in the industry, which means that contract renewals take longer as large amounts of resources are spent on tenders and awards.

IMPROVEMENTS IN MANAGEMENT

Services is involved in a digital transformation plan marked by:

- Implementation of the *Managing Transformation* initiative, an incubator of ideas in which three innovation groups use agile technology. Specific measures were analysed relating to the focus on the end user, the gathering and exploitation of data and the improvement of processes, with three objectives: change the work culture, develop an agile collaborative mentality, without silos, and get to know new tools, methodologies and software systems.

- Each of the three working groups was made up of seven professionals from OHL Services belonging to different categories and locations. The teams organised themselves in a business accelerator using a start-up working structure and used the lean start-up methodology, adapting it to specific circumstances and, in particular, to three areas:

  1. Helping dependent people. OHL Services' experience was used to ascertain the need for this service among users and their families in order to be able to adapt the service and detect new service lines. A platform was developed, the beta versions of which are being implemented at various customers.

  2. Improvement of the sale process. Thanks to the recently implemented Customer Relationship Management (CRM) system, OHL Services worked to improve its sales processes, seeking efficiency, sharing information among the various offices and areas and, especially, improving the quality of the technical reports it delivers in tender processes. The result is being implemented with the help of a Business Process Manager (BPM) and the use of document management tools implemented at OHL.

  3. Knowledge of employees and their work. OHL Services has efficient tools to manage and control employees' tasks and to prepare payrolls, as well as extensive experience in personnel management. Against this backdrop, work was carried out to find out what employees do, with a view to helping to optimise it and detecting in-house talent.

- Also, the Company continued the renewal of its front & back office tools, with several major projects such as the implementation of Oracle Enterprise Resource Planning (ERP), which will culminate in the required transformation of the Company's IT systems that is essential for it to be able to maintain its level of competitiveness in the digital revolution that the services industry is currently undergoing and obtaining consistent support for gathering and treating the Company's data with a view to extracting value from them.

- The Company managed to keep its services operational in optimal conditions in the most difficult phases of the pandemic. This challenge was achieved thanks to the Company's flexible structure, its teamwork philosophy, the previously implemented remote working methods and the robust nature of its systems. This time was also used to improve processes and procedures aimed at keeping remote working as a stable option in the future.

2021 will foreseeably be a decisive year for Services in terms of making progress in the process of digital transformation and generating new projects that result in innovative solutions for its customers based on new contributions of technology and processes. To that end, the Company will continue to use mixed groups (own employees together with technology partners) as growth cells in its strategy to innovate through entrepreneurial initiative.

Success stories

Provision of essential anti-covid-19 services in the state of emergency.
Spain

Around 10,000 employees of OHL's Services division in Spain, more than 80% of the Company's workforce in the country, provided service during the state of emergency in the cleaning, maintenance, urban and retirement homes services areas under various contracts that the Company is performing throughout Spain.

Around 1,600 employees were assigned to the management of retirement homes, supervised apartments, care for dependent adults, social and health management and hospital management. It is important to mention the contracts at the hospitals located in Burgos with around 200 employees, and the employees at the primary care centre of the Catalan Health Institute, the home help services for the municipal councils of A Coruña, Vila-real, Isla Cristina in Huelva, Algeciras in Cádiz, Yecla in Murcia, Terrassa in Barcelona and Málaga.

In addition, over 130 OHL employees are participating in the management of retirement homes in Fontiveros in Ávila, Chillón in Ciudad Real, Brenes in Seville and Poble Nou in Barcelona. In addition, OHL provided care services for people in various supervised apartments in Madrid and Barcelona.

In the urban services area, more than 2,500 employees worked in Madrid, Torrejón, Albacete, Granollers, Jerez de la Frontera, Cartaya and Fuenlabrada, among others. Street cleaners focused their work on pavement and roadway disinfection in compliance with the disinfection protocols established by the Spanish Ministry of Health.

The urban waste collection services worked at full capacity, removing thousands of tonnes of waste generated in private homes every night. In addition, services to remove similar-to-urban waste from hospitals were strengthened.

In the facility maintenance area, services were rendered at the La Princesa, Arganda del Rey and Torrejón de Ardoz hospitals in Madrid, the Zamora, Ávila, Burgos, Huercal-Overa, Bola Azul and Almería Red Cross hospitals, the Barcelona Hospital Clinic, Reus Hospital and the hospitals

in Vinalopó and Torrevieja; all with the main purpose of providing support to essential facilities to enable these centres to continue to treat patients.

Recognition of the work performed

OHL Services' commitment to the fight against covid-19 was recompensed when it was thanked by the mayor of Madrid, José Luis Martínez-Almeida, who highlighted the work carried out by more than 1,000 OHL Services employees who cleaned and maintained public spaces and green areas in the Hortaleza, Barajas, Ciudad Lineal and San Blas-Canillejas districts and the more than 800 waste collection workers in 11 Madrid districts.

Success stories

OHL Servicios-Ingesan, recognised by AENOR for its prevention work against covid-19.

Spain


AENOR

Confía

Certificado de protocolos de actuación frente al COVID-19

OHL SERVICIOS-INGESAN, S.A.

OHL Servicios-Ingesan has received from AENOR the Certificate of Prevention Protocols against covid-19 in recognition of the actions that it carried out in the fight against the pandemic at its offices in Spain. This certificate recognises the Company's endeavours to endow its work spaces with the measures required to guarantee the health and safety of its employees, in accordance with the specific regulations established by the certifying entity and which are aligned with the measures included in the Plan for Returning to the Office, initiated by OHL, and the recommendations given by the health authorities.

Risk management in the workplace; the training, information and communication carried out; proper waste management; constantly implemented organisational measures and self-monitoring -distance between people, the use of masks and hand sanitisers and limited room capacity- and good practices in the cleaning and maintenance of spaces, are some of the actions that were evaluated. In addition, screens were installed to separate workstations, exhaustive controls were established for visits and tests were carried out for the rapid and early diagnosis of people at risk of infection.

Success stories

Concession of the public municipal waste transfer and treatment service in the Écija district (Seville).

Spain

With the entry into service of this contract, OHL returned to the treatment and final disposal of waste business, which is key to completing integral urban waste management services.

Providing service to a population of 65,000 people, a volume of 30,000 tonnes/year can be treated and the contract ends in 2030.

At the facility, non-hazardous municipal waste from the district's population centres are treated and transferred and the controlled landfill of the environmental complex is monitored and supervised after closure.

Casos de éxito

OHL Services obtains Family Responsible Company certification.

Spain

In the first half of 2020, OHL Services obtained the Family Responsible Company (FRC) certification granted by Fundación Másfamilia. This is the quality seal that recognises companies with a management system in place that facilitates the work-life balance, a system based on respect, commitment and flexibility.

Family Responsible Company (FRC) is an international movement which, as part of CSR in relation to People Management and Excellence Management, is concerned with advancing and adopting measures in terms of responsibility and respect for the balance between personal life, family life and work. Moreover, it promotes support for equal opportunities and the inclusion of the most disadvantaged, based on current binding legislation and collective bargaining; in this way FRCs implement voluntary self-regulation in this area.

03
Sustainability

Centro Canalejas Madrid. Spain

Sustainability and innovation as the cornerstones of value creation

OHL has been working for 100 years with a strong commitment to people and communities, contributing to economic development and social cohesion in the cities and regions in which it is present. The Company is committed to a sustainable growth model, fostering cities' progress and responding to the planet's major challenges.

Sustainability has become a priority for OHL. This responsibility rests ultimately with the Board of Directors, which, as stated in the Board Regulations and the CSR Policy, is responsible for overseeing compliance with the aforementioned policy. It is supported in this role by the Nomination and Remuneration Committee, which reviews and assesses the effectiveness of this policy and the achievement of the objectives established in this regard.

Also, the CEO of OHL is directly responsible for the Company's sustainability strategy, which enables him to have a strategic vision for it and is a differentiating value for OHL. In this connection, mention must be made of OHL's membership, through its CEO, together with another 32 Spanish chairmen and CEOs, of the call to action known as the New Deal for Europe; and the creation of the Spanish Business Council for Sustainable Development, which is made up of 25 chairmen and CEOs of large companies, including José Antonio Fernández Gallar.

This Council is led by Forética as the Spanish representative on the World Business Council for Sustainable Development (WBCSD) and was constituted with the ambition of being the benchmark for corporate leadership in sustainability in Spain. The aim is to offer a joint strategic response to raise ambitions and foster actions regarding the most important challenges in environmental, social and good governance matters. Thus, as part of the first meeting held in February 2021, a joint declaration was made that included the commitments assumed by the members of the Council for the purpose of inspiring and accelerating companies' action regarding sustainable development.

EVOLUTION OF THE SUSTAINABILITY STRATEGY

2020 was marked by covid-19, which had both a health and economic and social impact. Against this backdrop, OHL continued to work and make progress on sustainability matters, in order to continue to respond to its stakeholders. The process of preparing OHL's new Sustainability Plan, which started in 2019, continued to be developed in 2020 in order to adapt it to the Company's current transformation process and incorporate the major trends in sustainability.

Also, OHL continues its commitment to work every day to respond to the needs of its stakeholders and to generate value as a result of its activity, especially in the countries in which it is present.

The Company belongs to the FTSE4 Good Ibex stock market index and, every year, provides information to the main analysts on the ESG (Environmental, Social, Governance) ratings. Furthermore, the Company is committed to the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), and participates in major international initiatives and guidelines. It also assumes voluntary commitments in human and labour rights, environmental protection, business ethics and transparency in the dissemination of information, which, moreover, are governed by its corporate policies that apply across the Company and, added to internal regulations, make up the current framework of action.

In 2020 OHL worked to adapt the Company's internal reporting processes in order to continue promoting an exercise in transparency in sustainability and offer a better response to the expectations of the various stakeholders. This work will continue in 2021, and will be aimed at improving the management of non-financial risks and the control of non-financial information, a key factor in enabling the Company to continue to provide transparent, quality information.

As regards the management of non-financial matters, it must be stated that the Group has an Integrated Management System (IMS) for Occupational Risk Prevention, Quality and the Environment that includes all divisions of the Company in a total of 14 countries. In this connection, this IMS was consolidated in accordance with the ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety Management), SA 8000 (Corporate Social Responsibility Management) and ISO 50001 (Energy Management) standards.

Innovative culture and management model

2020 saw the culmination of the transformation process of OHL's innovation management model initiated two years ago. Mention must be made of the renewal of the management system certification under the ISO 166:002 standard after significant updates were made to enable the Company to extend the scope of the innovation methodologies, make its projects more flexible, strengthen governance and achieve a better alignment of these activities with the corporate strategy.

OHL is working to develop and apply efficiency-focused innovative solutions, improve processes and obtain new products and services that generate value for the Company, customers and society in general. Examples of this are the more than 300 R&D+i projects developed over two decades or the Company's 12 families of patents currently in force in 28 countries, and some of which, such as Cubipod, an internationally award-winning maritime security system, have led to license agreements for application in Europe, Africa and the Americas.

In the field of energy efficiency, the Company participated in the Affordable Zero Energy Buildings (AZEB) project that was completed in mid-2020. This initiative was part of the Horizon 2020 programme and was aimed at the development and dissemination of a methodology for the cost optimisation of nearly zero energy or "energy +" buildings - those producing more energy than they use - with the possibility of being applied in the different climate zones in Europe.

TECHNOLOGICAL INNOVATION: AND DIGITALISATION IN 2020

OHL's most important technological innovation activities in 2020 took place in the fields of energy efficiency, recycling and improvements in the quality of materials and processes in road, marine and railways applications.

The progress made in the digalitisation of OHL in 2020 were evident in all of its activities. In the Construction area, the following can be cited as illustrative examples:

- **Operational management of projects.** Use of digital tools supported by mobile devices, for the management of documentation, communications and workflows at projects such as Torre Caleido in Madrid, Spain; Santiago de Chile Justice Centre, Chile; the National Museum of Archaeology in Lima, Peru; the I-405 toll road, in California, US; and National Forensic Mental Health Service Hospital, in Dublin, Ireland.

- **Fleet and machinery management.** Application of telematic technologies for the geolocation and management of fleets of vehicles in surfacing projects in Florida and Texas, US; maintenance of the A1, in Madrid, Spain; the Antamina dam, Peru; the Cúcuta Metropolitan Aqueduct project, Colombia; and work on several stretches of road in Prague, Czech Republic.

- **Drones for controlling the physical progress of a project.** OHL was a pioneer in the use of drones to obtain digital models of the terrain on the La Aldea-El Risco road project in Gran Canaria, Spain, in 2009. In 2020 OHL already used Unmanned Aerial Vehicles UAVs) regularly on numerous projects, such as the construction of the National Forensic Mental Health Service Hospital, in

Cubipods. Naos southern outer sea wall cruise ship dock. Port of Las Palmas, Canary Islands. Spain.

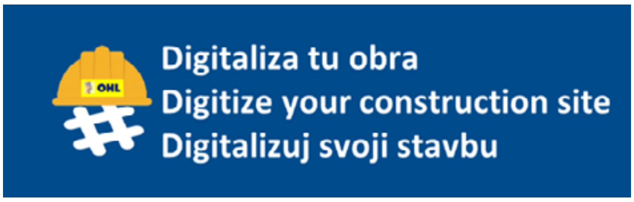
Ireland; the EPC Ski railway, in Norway; the head office of Judlau, in New York, US; various road infrastructure Chicago, US and the Sudoměřice-Votice railway line, in the Czech Republic.

- ***Building Information Modelling* (BIM) methodology.** OHL has accumulated more than a decade of experience in using this methodology. Noteworthy uses of BIM in 2020 include Torre Caleido, in Madrid, and Line 5 of the Barcelona metro, both in Spain; Curcio Hospital and the extension of Line 3 of the Santiago metro, both in Chile; the Social Housing Bundle 2 project, in Ireland; the Long Island railway, in New York, US; the Jillana and Sternberg hospitals, in the Czech Republic and the Lund-Arlo rail corridor, in Sweden.

  Also in 2020, work continued on defining and updating the standards, guidelines and processes aimed at optimising the use of BIM at OHL through a multidisciplinary team with varied technical profiles from various geographical areas; and progress was made on in-house training and cooperation through the BIM Practice Community.

- **Data integration and analysis.** In 2020 OHL launched a programme, aimed at the whole Company, to give itself the capabilities required to organise, integrate, analyse and interpret the existing data in its systems originating from its operations, starting with the Construction business. These tools will make operating and strategic decision-making more efficient and flexible.

In order to facilitate the identification, testing, adoption and escalation of digital technologies, in 2020 OHL implemented the Digitise your Project programme aimed at the inclusion of digital technologies in construction projects by the individuals responsible for the project in order to enable processes to be improved and needs not currently covered to be satisfied.



As part of OHL Services' Digital Transformation Plan, three important projects generated by the idea incubator were launched in 2020 aimed at helping dependent people, improving the sale process and knowledge of employees and their work. At the same time, work also continued on the renewal of the front and back office tools to strengthen their ability to capture, systematically treat and extract value from data.

Modernization of the Sudoměřice-Votice railway line. Czech Republic

Economic dimension

Financial framework

STATEMENT OF PROFIT OR LOSS

	2020	2019	Change (%)
Revenue	**2,830.7**	**2,959.9**	**-4.4**
Other operating income	51.2	86.2	-40.6
Total operating income % of sales	**2,881.9** 101.8	**3,046.1** 102.9	**-5.4**
Operating expenses	-2,059.3	-2,223.8	-7.4
Staff costs	-755.1	-757.5	-0.3
Gross profit from operations % s/ Ventas	**67,5** 2,4	**64,8** 2,2	**4,2**
Depreciation and amortisation charge	-74.6	-68.3	9.2
Changes in provisions and allowances	-1.4	-8.8	n.a.
Loss from operations % of sales	**-8.5** -0.3.	**-12.3.** -0.4	**-30.9**
Finance income and finance costs	-36.6	-35.9	1.9
Changes in fair value of financial instruments	-17.9	2.3	n.a.
Exchange differences	-1.8	2.2	n.a.
Impairment and gains or losses on disposals of financial instruments	-63.0	-71.0	-11.3
Financial loss	**-119.3**	**-102.4**	**16.5**
Result of companies accounted for using the equity method	0.7	-7.0	n.a.
Loss before tax % of sales	**-127.1** -4.5	**-121.7** -4.1	**4.4**
Income tax	-23.0	-21.8	5.5
Loss for the year from continuing operations % of sales	**-150.1** -5.3	**-143.5** -4.8	**4.6**
Profit (Loss) for the period from discontinued operations, net of tax	0.0	0.0	n.a.
Consolidated loss for the year % of sales	**-150.1** -5.3	**-143.5** -4.8	**4.6**
Profit (Loss) attributable to non-controlling interests	-1.1	0.5	n.a.
Profit (Loss) from discontinued operations attributable to non-controlling interests	0.0	0.0	n.a.
Loss attributable to the Parent % of sales	**-151.2** -5.3	**-143.0** -4.8	**5.7**

EUR million

Hospital de Curicó. Chile

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

The Group's **revenue** in 2020 amounted to EUR 2,830.7 million, down 4.4% on that recognised in the same period of 2019, due mainly to the aforementioned effect of the pandemic.

76.4% of revenue was generated outside Spain, as compared with 72.1% in the same period of 2018. As regards the distribution of sales by geographical area, the US and Canada represent 42.0% of the total, Europe 37.3%, Latin America 18.9% and other areas 1.8%.

"Total operating income" amounted to EUR 2,881.9 million, a drop of 5.4% with respect to 2019.

EBITDA improved by 4.2% to EUR 67.5 million (2.4% of revenue), compared with EUR 64.8 million in 2019.

EBIT amounted to EUR -8.5 million, compared with EUR -12.3 million in 2019.

Finance income and finance costs amounted to EUR -36.6 million, a very similar amount to the EUR -35.9 million in 2019. The most significant amount relates to the interest cost on the debentures and bonds and loan arrangement expenses.

"Changes in Fair Value of Financial Instruments" amounted to EUR -17.9 million, as compared with EUR 2.3 million in 2019, due mainly to:

i. Write-down of EUR -5.7 million arising from the sale of Arenales Solar, which saw the transfer to profit or loss of the valuation adjustment formerly recognised in equity.

ii. A loss of EUR -10.4 million from the early collection of a deferred account from the sale of the Mayakoba Country Club, which it was decided to recognise at fair value and collect, in view of the financial uncertainty going forward.

"Exchange Differences" amounted to EUR -1.8 million, compared with the EUR 2.2 million recognised in 2019. The main changes are due mainly to the effect of fluctuations in the Latin American currencies (Colombian peso, Chilean peso and Peruvian nuevo sol), the Czech koruna and the Canadian dollar.

Impairment and Gains or Losses on Disposals of Financial Instruments" totalled EUR -63.0 million, including:

i. Write-down of EUR -25.6 million on the Group's ownership interest in the Canalejas project. This write-down is due to the increases in investment and the delays in the opening of the Canalejas complex, which, in view of the current situation caused by covid-19, affects the recoverable amount of the investment.

In any case, the Group estimates that once the uncertainties arising from covid-19 have been overcome, the value of this emblematic project should recover.

ii. Write-downs of EUR (35.6) million on the financial assets owed to the OHL Group by the Villar Mir Group, following the agreement entered into in December 2020, subject to conditions precedent which had not been met at year-end, and, accordingly, dation in payment was made of several assets pledged as guarantee, including the Pacadar Group. The fair value of the assets securing the debt was estimated on the basis of valuations performed by non-OHL Group independent third parties, taking into account the cash flows projected in the related business plan, all discounted at rates reflecting the current demands made of activities of this nature by capital providers and lenders.

iii. The divestment of Arenales Solar for EUR 5.4 million.

"Loss Before Tax" amounted to EUR -127.1 million, representing -4.5% of sales.

"Loss Attributable to the Parent", which included the impact of the covid-19 situation in the year and the aforementioned impairment losses, amounted to EUR -151.2 million, as compared with EUR -143.0 million in 2019.

CONSOLIDATED BALANCE SHEET

	31/12/20	31/12/19	Change (%)
Non-current assets	**1,137.8**	**1,304.3**	**-12.8**
Intangible assets	162.6	196.2	-17.1
Concession infrastructure	75.1	72.8	3.2
Property, plant and equipment	144.7	186.4	-22.4
Investment property	4.3	10.2	-57.8
Investments accounted for using the equity method	295.1	301.4	-2.1
Non-current financial assets	306.9	332.3	-7.6
Deferred tax assets	149.1	205.0	-27.3
Current assets	**2,017.2**	**2,320.0**	**-13.1**
Non-current assets held for sale and discontinued operations	0.0	0.0	n.a.
Inventories	86.3	107.2	-19.5
Trade and other receivables	1,136.3	1,272.2	-10.7
Other current financial assets	194.9	229.0	-14.9
Other current assets	128.7	156.2	-17.6
Cash and cash equivalents	471.0	555.4	-15.2
Total assets	**3,155.0**	**3,624.3**	**-12.9**
Equity	**460.3**	**622.8**	**-26.1**
Shareholders' equity	**516.9**	**669.6**	**-22.8**
Share capital	171.9	171.9	0.0
Share premium	1,265.3	1,265.3	0.0
Reserves	-769.1	-624.6	23.1
Loss for the year attributable to the Parent	-151.2	-143.0	5.7
Interim dividend	0.0	0.0	n.a.
Valuation adjustments	**-53.3**	**-42.7**	**24.8**
Equity attributable to the Parent	**463.6**	**626.9**	**-26.0**
Non-controlling interests	**-3.3**	**-4.1**	**-19.5**
Non-current liabilities	**833.5**	**797.5**	**4.5**
Deferred income	0.6	0.8	-25.0
Long-term provisions	63.7	65.5	-2.7
Non-current bank borrowings*	642.5	588.0	9.3
Other non-current financial liabilities	33.8	31.5	7.3
Deferred tax liabilities	78.8	95.1	-17.1
Other non-current liabilities	14.1	16.6	-15.1
Current liabilities	**1,861.2**	**2,204.0**	**-15.6**
Liabilities associated with non-current assets classified as held for sale and discontinued operations	0.0	0.0	n.a.
Short-term provisions	210.4	202.0	4.2
Current bank borrowings and financial liabilities*	106.6	141.1	-24.5
Other current financial liabilities	16.9	26.3	-35.7
Trade and other payables	1,306.4	1,562.0	-16.4
Other current liabilities	220.9	272.6	-19.0
Total equity and liabilities	**3,155.0**	**3,624.3**	**-12.9**

* Including Bank borrowings + Bonds
EUR million

Riotinto project. Spain

Changes in the consolidated balance sheet

The detail of the main headings in the consolidated balance sheet as at 31 December 2020 and of the changes therein with respect to 31 December 2019 is as follows:

"Concession Infrastructure": this line item, the balance of which is EUR 75.1 million, includes all of the Group's concession infrastructure and relates mainly to Sociedad Concesionaria Aguas de Navarra, S.A.

"Investments Accounted for Using the Equity Method": the balance of this heading amounted to EUR 295.1 million, as compared with EUR 301.4 million at 31 December 2019.

The main investments included in this heading were as follows:

i. Proyecto Canalejas Group, S.L., 50.0% owned by the Group, valued at EUR 145.8 million after the impairment loss recognised. In addition to this amount, the Group has a subordinated loan of EUR 47.1 million.

ii. ii) Old War Office Project, 49.0% owned by the OHL Group and valued at EUR 95.4 million.

iii. New Toledo Hospital, 33.340% owned, valued at EUR 19.2 million; and

"Trade and Other Receivables": at 31 December 2020, the balance of this line item amounted to EUR 1,136.3 million, accounting for 36.0% of total assets.

Progress billings receivable amounted to EUR 511.3 million (2.2 months of sales), compared with EUR 552.7 million (2.2 months of sales) at 31 December 2019, a fall that is a consequence of the continuous monitoring of working capital.

Amounts to be billed for work performed amount to EUR 368.3 million (1.6 months of sales), as compared with EUR 399.6 million recognised at 31 December 2019 (1.6 months of sales).

The EUR 43.3 million decrease in the balance of trade receivables (31 December 2019: EUR 64.9 million) was attributable to trade receivables factored without recourse.

"Other Current Financial Assets" amounted to EUR 194.9 million (31 December 2019: EUR 229.0 million), of which EUR 142.6 million are restricted assets, the principal amount being a restricted deposit of EUR 140.0 million securing the multi-product syndicated financing. The remaining amount, EUR 52.3 million, relates to investment securities and other receivables.

"Other Current Assets: the balance amounted to EUR 128.7 million and the most significant items at 31 December 2020 included two loans, one to Grupo Villar Mir, S.A.U. and another to Pacadar, S.A. for a total of EUR 137.1 million, including accrued interest. These loans and other lesser amounts were written down by EUR -38.5 million.

"Equity Attributable to the Parent" asciende a 463,6 millones de euros, lo que representa el 14,7% del activo total,amounted to EUR 463.6 million, which represents 14.7% of total assets and a decrease of EUR -163.3 million with respect to 31 December 2019, due to the net effect of:

The decrease in the attributable bottom line for 2020, which amounted to EUR -151.2 million.

ii. A decrease of EUR -10.6 million due to valuation adjustments arising from the translation of the financial statements in foreign currency.

ii. A decrease of EUR -1.5 million due to other changes.

"Non-Controlling Interests" amounted to EUR -3.3 million.

Financial debt: the comparison of the debt at 31 December 2020 with the figure at 31 December 2019 is as follows:

Gross borrowings (1)	31/12/20	%	31/12/19	%	Change (%)
Recourse borrowings	697.9	93.2%	675.1	92.6%	3.4%
Non-recourse borrowings	51.2	6.8%	54.0	7.4%	-5.2%
Total	749.1		729.1		2.7%

EUR million
(1) Gross borrowings groups together non-current and current financial debt items, which include bank debt and bonds.

Net borrowings (2)	31/12/20	%	31/12/19	%	Change (%)
Recourse borrowings	33.6	40.4%	-106.5	192.6%	n.a.
Non-recourse borrowings	49.6	59.6%	51.2	-92.6%	-3.1%
Total	83.2		-55.3		n.a.

EUR million
(2) Net borrowings consist of gross borrowing less other financial assets and cash and cash equivalents.

The gross recourse borrowings amounted to EUR 697.9 million at 31 December 2020, a decrease of EUR 22.8 million on the figure at 31 December 2019, the significant events in this connection being as follows:

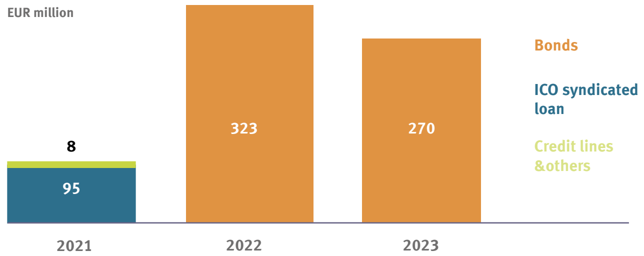
i. Redemption in March 2020 of the bonds maturing in 2020 for an amount of EUR 73.3 million

ii. Drawdown of EUR 95.3 million against the ICO-secured bridge loan.

iii. Other less significant drawdowns/repayments/redemptions.

The outstanding balance of bonds stands at EUR 592.9 million with maturities in March 2022 and 2023. The gross non-recourse borrowings amounted to EUR 51.2 million, representing 6.8% of total gross borrowings. 85.8% of the total gross bank borrowings falls due at long term and the remaining 14.2% matures at short term; gross bank borrowings consist mainly of the ICO loan granted in 2020 which matures at 18 months.

The detail of the maturity of the Group's gross recourse borrowings is as follows:



Total net debt amounted to EUR 83.2 million, up EUR 138.5 million on 31 December 2019.

In 2020 the Group's ordinary activities reduced its cash consumption by EUR 86.7 million compared with 2019, as a consequence of the greater control and monitoring of working capital, as well as a reduction in the entire OHL Group's overheads to EUR 129.4 million from EUR 240 million in 2017:

Cash consumption in activities	2019	2020	Change
Total consumption/(generation)*	230.1	143.4	(86.7)

*Including loss-making projects for EUR 146 million and EUR 86 million, respectively.
EUR million

As regards investments and divestments, EUR 26.7 million were invested in 2020, mainly in the Canalejas project, and EUR 30.1 million were received from the divestment of the Arenales Solar PV plant, the recovery of the subordinated debt from the Centro Canalejas Madrid (CCM) and the amount received from Mayakoba Country Club.

La liquidez total del Grupo asciende a 665,9 millones de euros, siendo la liquidez con recurso 664,3 millones de euros y la liquidez sin recurso de 1,6 millones de euros.

CASH-FLOW

Although the criteria used differ in some cases from those set out in IAS 7, this section presents a cash flow analysis of the evolution of the business:

	2020	2019
EBITDA	67.5	64.8
Adjustments for:	-113.2	-139.5
Financial losses	-119.3	-102.4
Results of companies accounted for using the equity method	0.7	-7.0
Income tax	-23.0	-21.8
Changes in provisions and allowances and other	28.4	-8.3
Cash flows from operations	-45.7	-74.7
Changes in working capital	-110.1	-143.9
Trade and other receivables	135.9	50.2
Trade and other payables	-255.6	-265.0
Other changes in working capital	9.6	70.9
Cash flows from operating activities	-155.8	-218.6
Cash flows from investing activities	17.3	-22.0
Non-controlling interests	0.8	-3.0
Other cash flows from investing activities	16.5	-19.0
Change in net non-recourse borrowings	-1.6	0.3
Change in net recourse borrowings	140.1	240.3
Cash flows from financing activities	138.5	240.6

EUR million

"EBITDA" amounted to EUR 67.5 million, up EUR 2.7 million on 2019.

The **adjustments to the loss** amounted to EUR -113.2 million, leaving cash flows from operations at EUR -45.7 million, an improvement on the EUR -74.7 million recognised in 2019, due mainly to:

i. i) The improvement in EBITDA;

ii. The improvement in the results of companies accounted for using the equity method and other changes in provisions and allowances and other.

"Changes in Working Capital" amounted to EUR -110,1 million, due to the improvement in "Trade and Other Receivables" and "Other Changes in Working Capital", compared with the previous year, when it was EUR -143.9 million.

All these changes gave rise to **"Cash Flows from Operating Activities"**, which amounted to EUR -155.8 million, a significant improvement on the EUR -218.6 million of the same period of 2019.

"Cash Flows from Investing Activities" amounted to EUR 17.3 million.

"Cash Flows from Financing Activities" amounted to EUR 138.5 million, leading to a decrease of EUR -1.6 million in the Group's net non-recourse borrowings and an increase of EUR 140.1 million in its net recourse borrowings.

BACKLOG

At 31 December 2020, the Group's backlog amounted to EUR 4,962.1 million, -9.1% down on the backlog at 31 December 2019. 90.8% of the total backlog related to short-term projects, with long-term projects accounting for the other 9.2%.

The short-term backlog amounted to EUR 4,505.4 million, which represents approximately 19.0 months of sales. Construction activity accounts for 86.3% of the short-term backlog, Services activity accounts for 8.8% and Industrial activity accounts for the remaining 2.7%.

It must be stated that the short-term backlog was also affected by the fluctuations in the exchange rates of the currencies of the countries in which the Group operates.

The long-term backlog amounted to EUR 456.7 million, which is similar to the long-term backlog at 31 December 2019.

	2020	%	2019	%	Change (%)
Short-term	**4,505.4**		**4,999.6**		**-9.9%**
Construction	3,988.0	88.5%	4,385.7	87.7%	-9.1%
Industrial	122.6	2.7%	248.8	5.0%	-50.7%
Services	394.8	8.8%	365.1	7.3%	8.1%
Long-term	**456.7**		**458.3**		**-0.3%**
Construction/Other	456.7	100.0%	458.3	100.0%	-0.3%
Total	**4,962.1**		**5,457.9**		**-9.1%**

EUR million

ALTERNATIVE PERFORMANCE MEASURES

The OHL Group presents its results in accordance with International Financial Reporting Standards (IFRSs) and also uses certain Alternative Performance Measures (APMs) that facilitate a better understanding and comparability of the financial information. In order to comply with the guidelines of the European Securities and Markets Authority (ESMA), we hereby disclose the following:

EBITDA: is profit or loss from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

Thousands of euros

Concepto	31/12/20	31/12/19
Loss from operations	-8.5	-12.3
(-) Depreciation and amortisation charge	74.6	68.3
(-) Changes in provisions and allowances	1.4	8.7
Total EBITDA	**67.5**	**64.8**

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

Thousands of euros

	31/12/20	31/12/19
TOTAL EBITDA	**67.5**	**64.8**
(+) Interest income	17.9	20.6
(-) EBITDA of project companies	-4.5	-4.3
Total recourse EBITDA	**80.9**	**81.0**

Project companies: companies for whose debt there is no recourse to the Parent OHL, S.A.

EBIT: calculated on the basis of the following line items in the consolidated statement of profit or loss: "Revenue", "Other Operating Income", "Operating "Expenses", "Staff Costs", "Depreciation and Amortisation Charge" and "Changes in Provisions and Allowances".

Gross borrowings groups together the balances of the "Non-Current Liabilities - Debt Instruments and Other Marketable Securities", "Non-Current Liabilities - Bank Borrowings", "Current Liabilities - Debt Instruments and Other Marketable Securities" and "Current Liabilities - Bank Borrowings" headings on the liability side of the consolidated balance sheet, including bank borrowings and bonds.

Thousands of euros

	31/12/20	31/12/19
Debt instruments and other marketable securities (non-current)	589.6	587.9
Non-current bank borrowings	52.9	0.2
Debt instruments and other marketable securities (current)	8.8	83.7
Current bank borrowings	97.8	57.4
Total gross borrowings	**749.1**	**729.1**

Net borrowings: made up of gross borrowings less "Other Current Assets" and "Cash and Cash Equivalents" on the asset side of the consolidated balance sheet.

Thousands of euros

	31/12/20	31/12/19
GROSS BORROWINGS	**749.1**	**729.1**
(-) Current financial assets	-194.9	-229.0
(-) Cash and cash equivalents	-471.0	-555.4
Total net borrowings	**83.2**	**-55.3**

Non-recourse borrowings (gross or net): the borrowings (gross or net) of the project companies.

Recourse borrowings (gross or net): total borrowings (gross or net) of the project companies less non-recourse borrowings (gross or net).

Backlog: : short-and long-term unearned revenue from contracts awarded. Once they have been formalised, these contracts are included in the backlog.

- **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.

	31/12/20
Number of shares at end of period	286,548,289
Market price at end of period	0.617
Market capitalisation (millions of euros)	**176.8**

Earnings per share (EPS): profit or loss attributable to the Parent divided by the average number of shares in the period.

Thousands of euros

	31/12/20
Loss attributable to the Parent	-151.2
Average number of shares	285,964,167
Loss per share	**-0.53**

PER: share price at the end of the period divided by the earnings per share for the last 12 months.

	31/12/20
Market price at end of period	0.617
Loss per share	-0.529
PER	**-1.17**

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 information

The price of Obrascón Huarte Lain S.A. shares fell by 41.8% in 2020, reducing the stock market capitalisation to EUR 176.8 million at 31 December 2020.

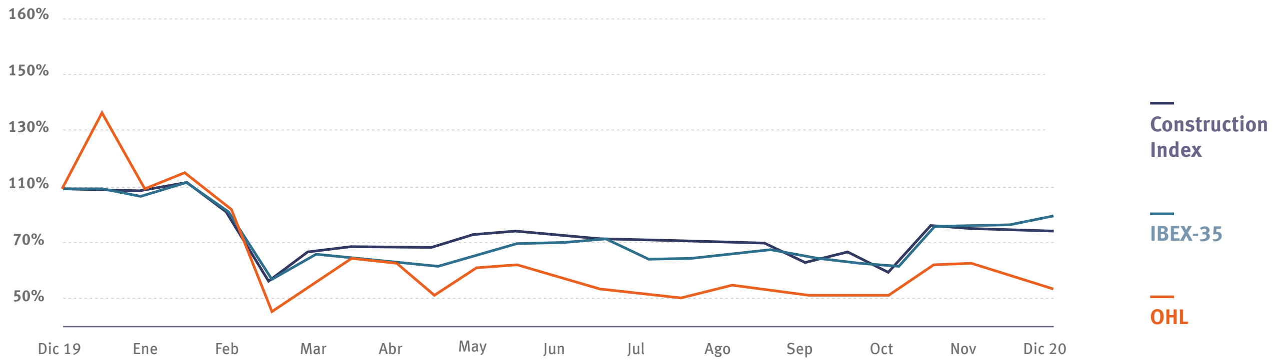
OHL on the Spanish Stock Market Interconnection System

OHL on the stock market

OHL S.A.	31/12/20
OHL closing price	0.6170
OHL YtD share price performance	-41.8%
High	1.6000
Low	0.4500
Average price	0.8737
Treasury shares	600,867
Value of treasury shares	370,735
% OHL treasury shares	0.210%
Total number of OHL shares	286,548,289
Nominal value of OHL share capital	171,928,973
Nominal value of OHL share capital per share	0.60
Market capitalisation (EUR million)	176.8
Number of shares traded in the year	544,205,559
Number of shares traded daily in the year	2,117,531
Traded shares as a % of total shares	189.9%
Effective volume traded in the year	475,537,288
Average effective volume traded per day	1,850,340
Total days traded in the year	257
IBEX 35 index	8,073.7
IBEX 35 YtD performance	-15,5%
Construction index in Spain	1,506.5
Construction index YtD performance	-16.3%
Gross dividend paid in the year	0.00
Net dividend paid in the year	0.00

Source: Bolsas y Mercados Españoles & Bloomberg.

OHL share price in 2020



At 31 December 2020, the share capital amounted to EUR 171,928,973.40, represented by 286,548,289 ordinary shares of EUR 0.60 par value each and all of the same class and series.

In 2020 the share price reached its highest closing value of EUR 1.600 per share in January and its lowest closing value of EUR 0.4500 per share in March, which gives an average price over the whole year of EUR 0.8737 per share. In 2020 a total of 544,205,559 shares were traded on the stock market (189.9% of the total shares admitted for trading), which represents a fall of 25.0% with respect to 2019. The daily average stands at 2,117,531 shares.

The Company ended the year with 600,867 treasury shares tied, in full, to its liquidity agreement, equal to 0.210% of the Company's current capital, a position that remained stable throughout 2020. The position at the year-end closing price amounted to EUR 370,735 thousand.

The performance of the IBEX 35 and the Construction index in Spain showed decreases of 15.5% and 16.3%, respectively, lower than that of OHL.

OHL BOND ISSUES CURRENTLY OUTSTANDING IN THE MARKET

In the first quarter of the year, OHL redeemed EUR 73 million of the outstanding balance of the bond issued in 2012 and maturing in March 2020.

OHL currently has three outstanding bond issues in the market, which are traded in London. The most relevant data on the bonds issued are as follows:

Issuer	Maturity	Coupon rate	Outstanding balance	Price	YtM
OHL, S.A.	March 2022	4.750%	323	60.809%	52.583 %
OHL, S.A.	March 2023	5.500%	270	58.816%	33.461%

EUR million / Outstanding balance: is the balance of the principal amount of the bonds outstanding, excluding the interest accrued to date.

COMMUNICATION WITH SHAREHOLDERS, INVESTORS AND ANALYSTS:

OHL has an Investor Relations Department at the company's corporate headquarters (Paseo de la Castellana 259 D, Torre Espacio) in Madrid. It is responsible for communication with shareholders, investors and analysts with the aim of offering maximum transparency in the dissemination of information relevant to these stakeholders.

To this end, during the year the Company promotes various face-to-face meetings (meetings with analysts, national and international road shows, Investor Day and ad hoc informative meetings) and makes available various channels of communication (including an e-mail account: relación.accionistas@ohl.es and a telephone number +34 91 348 41 57).

Owing to the pandemic, no national or international road shows took place in 2020. The Annual General Meeting was held in May. Due to their importance, both the presentation of year-end results and the Annual General Meeting were streamed (through the Company's website) to enable them to be followed by the various stakeholders.

Also, since 2011 the Company has made quarterly presentations of results through Conference Calls, in which OHL's executive team establishes a direct communication with the financial community.

TAX CONTRIBUTION

The following table contains the amounts paid by the Group companies to the public authorities in 2020 in the various jurisdictions in which they operate, making a distinction between taxes borne, which represent a cost for the Group, and taxes collected on behalf of third parties, which have no impact on the Group's statement of profit or loss.

Thousands of euros

Country	Taxes borne (1)	Taxes collected (2)	Total	% of total
Spain	72,660	129,588	202,248	70.5%
Eastern Europe	7,093	8,040	15,133	5.3%
US and Canada	9,889	-	9,889	3.4%
Mexico	2,121	4,883	7,004	2.4%
Peru	2,247	5,897	8,144	2.8%
Chile	3,325	24,183	27,507	9.6%
Colombia	1,963	3,082	5,045	1.8%
Norway	2,583	2,862	5,445	1.9%
Other	1,728	4,849	6,577	2.3%
Total	**103,609**	**183,384**	**286,992**	

((1) Including mainly income tax and employer social security contributions.
(2) Containing primarily employment-related taxes borne by employees and VAT collected.

The most significant item in the group's tax contribution was that relating to employment taxes, which amounted to EUR 196,317 thousand.

The payment of income tax incurred on the activity of the Group companies amounted to EUR 10,796 thousand. The distribution of this amount, by country, is as follows: Spain 44%; US and Canada 3.1%; Chile 3.8%; Peru 6.5%; Mexico 6,5%; Eastern Europe 6.4%; Colombia 21.7%.

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Main significant events / insider information / other relevant, regulated and corporate information

- **4 February 2020:** study of a potential merger with the Caabsa Group.
- **4 February 2020:** update of the status of the various corporate transactions.
- **6 May 2020:** resignation of Javier Goñi del Cacho as director of the Parent.
- **18 May 2020:** agreement entered into with reference banks for the signing of a State-secured syndicated loan amounting to EUR 140 million.
- **20 May 2020:** disclosure of information relating to the potential merger transaction involving OHL and Caabsa.
- **21 May 2020:** partial sale to the Amodio brothers of the Villar Mar Group's investment in OHL.
- **5 and 15 June 2020:** changes in the composition of the Board of Directors and the Board committees.
- **3 July 2020:** call of the extraordinary bondholders meeting.
- **16 July 2020:** downgrading of the corporate rating and unsecured senior debt by Fitch Ratings.
- **21 July 2020:** the Company announces that it has decided to postpone the holding of the bondholders meetings, which will be held at first call on 4 August 2020.
- **4 August 2020:** the Company announces that the quorum required for the bondholders meetings to be held has not been achieved. The bondholders meetings are called, at second call, on 4 September 2020.
- **7 August 2020:** the Company announces that on that day it had signed a commitment agreement with certain bondholders representing the majority of the holders of its bond issues.
- **14 August 2020:** downgrading of the corporate rating and unsecured senior debt by Moody's Ratings.
- **4 September 2020:** the bondholders meetings approved the proposals submitted to them for consideration.
- **30 September 2020:** OHL makes an announcement regarding the amounts owed by Grupo Villar Mir, S.A.U. and Pacadar, S.A.U. to the Company.
- **30 October 2020:** OHL makes an announcement regarding the amounts owed by Grupo Villar Mir, S.A.U. and Pacadar, S.A.U. to the Company.
- **19 November 2020:** OHL makes an announcement regarding the amounts owed by Grupo Villar Mir, S.A.U. and Pacadar, S.A.U. to the Company.
- **23 November 2020:** OHL announces the sale of its ownership interest in the New Toledo Hospital.
- **24 November 2020:** OHL supplements the information on the sale of its ownership interest in the New Toledo Hospital.
- **7 December 2020:** The Company announces that GVM and OHL have reached an agreement on the terms of the repayment of the amounts owed by Pacadar, S.A.U. and Grupo Villar Mir, S.A.U. to the Company.
- **28 December 2020:** OHL makes an announcement regarding the amounts owed by Grupo Villar Mir, S.A.U. and Pacadar, S.A.U. to the Company.

PRINCIPALES HECHOS RELEVANTES - INFORMACIÓN PRIVILEGIADA - OTRA INFORMACIÓN RELEVANTE, REGULADA Y CORPORATIVA POSTERIOR AL 31 DE DICIEMBRE DE 2020

- **21 January 2021:** the Company announces an agreement to support the recapitalisation of the Company and the renegotiation of certain Group borrowings.
- **21 January 2021:** recapitalisation of the Company. Presentation.
- **25 January 2021:** downgrading of the corporate rating and unsecured senior debt by Fitch Ratings.
- **26 January 2021:** downgrading of the probability of default rating (PDR) from Caa2-PD to Ca-PD by Moody's Ratings.
- **5 February 2021:** announcement of the extension of the acceptance period.
- **10 February 2021:** announcement on the situation regarding the acceptance of the lock-up agreement by the bondholders and the exercise by the backstop providers of their rights regarding alternative 2.
- **24 February 2021:** call of an Extraordinary General Meeting.
- **24 February 2021:** OHL makes an announcement regarding the amounts owed by Grupo Villar Mir, S.A.U. and Pacadar, S.A.U. to the Company.

Social dimension

People

PROFILE OF THE HUMAN TEAM

OHL considers its human team of more than 20,000 employees to be its most valuable asset for the carrying on of its activity in a responsible manner, contributing to the progress of the organisation, of the people composing it and society as a whole.

In a year of uncertainty resulting from the impact of the global public health crisis caused by covid-19, OHL's workforce managed to adapt to a scenario that was new to everyone and acted professionally and responsibly at all times. The Company also contributed to this by instituting action protocols that boosted the safety of teams and, by extension, all the people working with the organisation.

Against this backdrop, OHL not only maintained workforce numbers in 2020, but also increased them by 8.8%, 48.0% of whom are women, who are present in more than 24 countries in which the Company habitually carries on its activity. In addition to direct employment, the Company contributed to indirectly maintaining more than 10,700 jobs, through associates, suppliers and subcontractors, who are required to have the same level of commitment as the Company's other employees.

+ Further information
Other HR aggregates
Information on freedom of association and collective bargaining

Table showing the distribution of the workforce by profession, age, gender and type of contract45 46-55

		<30				30-45				46-55				>56			
		PERMANENT		TEMPORAL		PERMANENT		TEMPORAL		PERMANENT		TEMPORAL		PERMANENT		TEMPORAL	
	Total	H	M	H	M	H	M	H	M	H	M	H	M	H	M	H	M
Senior executives	11	0	0	0	0	1	0	0	0	3	0	0	0	7	0	0	0
Senior managers	75	0	0	0	0	11	3	0	0	40	2	0	0	19	0	0	0
Supervisors	1,303	13	3	7	3	397	69	41	10	368	39	30	2	275	29	17	0
Other line personnel	2,675	163	66	70	38	747	317	271	95	375	105	83	14	234	64	30	3
Clerical staff	571	26	33	27	24	52	117	27	30	34	105	11	8	27	46	4	0
Manual workers	15,790	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**	**604**	**379**	**702**	**484**	**2,747**	**2,186**	**1,713**	**1,094**	**2,147**	**2,309**	**875**	**814**	**1,476**	**2,084**	**394**	**417**

DIVERSITY, EQUALITY AND INCLUSION

OHL's commitment to diversity finds its expression in policies and regulations aimed at boosting measures to support equality irrespective of gender, race, age or ideology, and in the various international initiatives in which the Company participates. In addition, OHL promotes accessibility in the corporate facilities and tools, in order to favour the integration of all groups.

CEO Alliance for Diversity

OHL, through its chief executive officer, José Antonio Fernández Gallar belongs to the CEO Alliance for Diversity. The initiative, promoted by Fundación Adecco and the CEOE (Spanish Confederation of Business Organisations), is the first alliance in Europe to bring CEOs together around diversity, equity and inclusion, and seeks to accelerate diversity through a model and an innovative 360º view thereof.

At present OHL is negotiating its Second Equality Plan, after the Company's Equality Committee agreed to extend the life of the First Equality Plan to 31 March 2021 as a result of covid-19.

The new Plan will go into further depth, if that is possible, in guaranteeing its employees equal treatment and opportunity in the workplace and strengthening the current policies on non-discrimination between women and men in matters of remuneration, professional development and the work-life balance. Examples of this are the measures taken to promote and improve the likelihood of women reaching positions of responsibility and fostering their inclusion in succession plans.

OHL Servicios-Ingesan, recognised as a Responsible Company for its commitment to the inclusion of disadvantaged groups in the job market

In addition, the Code of Ethics promotes equality of opportunities way beyond gender diversity, making a commitment to hire people belonging to socially vulnerable groups -mainly people with different abilities, victims of gender violence or people at risk or in a situation of social exclusion; and boosting the creation of local employment as part of works and projects, especially for vulnerable and low-qualified profiles.

+ Further information:
Other HR aggregates

Specifically, 435 people with disabilities belonged to OHL's workforce in 2020, representing more than 2% of the Group's employees.

In addition to generating employment opportunities, OHL's employees participated in initiatives to promote the employability of these groups, leading training workshops as part of the Company's professional volunteering programmes, as a result of which almost 90 people improved their employability.

OHL participated in the "International Day for the Elimination of Violence against Women" on 25 November by collaborating in raising social awareness of the elimination of violence against women

TALENT MANAGEMENT

Attracting talent

Attracting talent is a key element to respond to the challenges that present themselves and, therefore, to the success of the Company.

Therefore, among other measures, OHL updated its image in the LinkedIn and Infojobs employment portals and renewed the Company's professional careers microsite. Consequently, the number of followers of these platforms rose, and at the end of the year the Company's LinkedIn profile had more than 143,519 followers.

Turning attention to 2021, the Company will foreseeably refocus the Young Talents programme, which was launched in 2015 and in which more than 90 young people have participated, travelling to countries such as Saudi Arabia, Qatar, Turkey, Norway, Ireland, the Czech Republic, Colombia and Peru, making a commitment to local talent in those countries in which OHL has operations and incorporating recent graduates from prestigious universities so that they can start their careers in their countries of origin.

People development and performance management

Responsible management of people includes the need to find a balanced team through various measures such as flexibility, training and professional development.

In this connection, OHL has a performance management system that enables employees to be aligned with the values of the Company, the strategic objectives of the business and the interests of the shareholders, taking into account the outcome of the assessment of competencies and the evaluation of objectives, as a result of which employees' performance levels are obtained. The scope of the performance management system currently covers the professional level of middle management, and the Company intends to extend it to other groups in the future.

This information enables OHL to implement certain measures related to talent management, such as the assignment of specific training plans; the definition of professional itineraries; the design of professional development plans; the evaluation of employees' potential to assume new responsibilities; and the preparation of succession plans or their application to certain processes related to the remuneration policy.

Remuneration and benefits

In 2020 the Company's management updated the OHL Group's Remuneration Manual, which includes all the required updates in matters regarding corporate governance and measures aimed at maintaining the organisation's sustainability and the competitiveness of its remuneration with the main aim of attracting professionals, building their loyalty and committing them to its strategic objectives, thus ensuring internal equity and external competitiveness.

OHL's remuneration system is endorsed by the Nomination and Remuneration Committee of the Board of Directors, aligning the remuneration with the business strategy and the interests of shareholders in order to create sustainable value over time.

The remuneration and salary band structure policies are the result of the assessment and classification of posts into professional groups and organisational levels according to their contribution to the business and/or impact on earnings, with a specific positioning with respect to the market for remuneration according to the level of competitiveness required by the business in each geographical area.

OHL has a variable remuneration policy based on a programme of management by objectives economic company objectives and individual management objectives, the purpose of which is to foster the achievement of the targets that the Company, at any given time, considers to be strategic for the development of its business.

In addition, OHL's remuneration system may include the grant of other, non-monetary, remuneration, in the form of remuneration in kind, such as life and accident insurance, meal vouchers, childcare expenses, medical insurance, company car or other fringe benefits. Also, it is becoming increasingly important at the Company to add to monetary remuneration with other initiatives to promote the work-life balance, such as flexible and adaptable working, or teleworking, and this is even more the case if we take the pandemic situation into account.

+ Further information:
Appendix - Social benefits of the human team, work-life balance measures and disconnection from work measures

+ Further information:
Appendix - Social benefits of the human team, work-life balance measures and disconnection from work measures

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OHL Servicios, Empresa Familiarmente Responsable

In the first half of 2020, OHL Services obtained the Family Responsible Company (FRC) certification granted by Fundación Másfamilia. This is the quality seal that recognises companies with a management system in place that facilitates the work-life balance, a system based on respect, commitment and flexibility.

Family Responsible Company (FRC) is an international movement which, as part of CSR in relation to People Management and Excellence Management, is concerned with advancing and adopting measures in terms of responsibility and respect for the balance between personal life, family and work. Moreover, it promotes support for equal opportunities and the inclusion of the most disadvantaged, based on current binding legislation and collective bargaining; in this way FRCs implement voluntary self-regulation in this area.

Employees in Caleido Tower. Spain

KNOWLEDGE MANAGEMENT

OHL is firmly committed to training all of its employees and establishes training programmes aimed at performance excellence and at developing the professionals working at the Company. Next year OHL will offer its employees the chance to obtain accreditation on more than 62 master's degrees and higher learning programmes through agreements with benchmark entities, and it has also entered into agreements for assistance and grants with universities and centres of study at international level. Mention must be made of the global and flexible nature of the training plans, as they are adapted to organisational changes, market strategies and even the circumstantial social and labour situation that arose as a result of the pandemic.

Due to the effect of covid-19 and in order to comply with the protocol relating to protecting employees' health and preventing them from contracting the virus, the annual training plan was adapted to new learning technologies and methodologies (virtual classroom) and e-learning platforms, facilitating faster, more accessible training with new content.

The 2020 Training Plan included actions related to technical and production aspects, common and specific to each business, as well as areas of a transversal nature, among which those aimed at providing and facilitating tools for the management of teams and acquiring skills for the integral development of employees are noteworthy.

In the corporate training area, OHL continues its commitment to integrate, raise awareness and sensitise all employees to the Company's policies, culture and values. In addition to the existing modules, training on the crime prevention system was launched in 2020.

In 2020, 7,241 students were trained on 489 different courses in Spain, with a total of 71,956 hours of training.

In addition, PHAROS, the international platform for access to training, with universal access to a catalogue of more than 24,000 training hours, provided a new window onto knowledge for all OHL countries. On the basis of a delocalised methodology, learners can access a customised training itinerary inviting them and motivating them to participate in ongoing training, a key aspect to enable the Company's professionals to achieve excellence.

In 2020 a total of 217 students from ten countries registered for 125 different courses, with a total of 7,639 hours of training.

Training by training area and gender

	Participants			Hours of training									
	Gender		Total	Unplanned T.A.		Common areas		Business areas		Transversal areas		Total hours	
	M	W		O	CB	O	CB	O	CB	O	CB	O	CB
Construction and Corporate	8,037	1,580	9,617	2,861	3,803	6,309	502	3,006	9,514	9,284	25,036	21,460	38,855
Industrial	186	66	252	191	104	488	41	1,125	-	1,597	322	3,401	467
Services	3,317	4,952	8,269	35,024	9,678	909	-	216	13,945	2,926	8,643	39,075	32,266
Total 2020[1]	**11,540**	**6,598**	**18,138**	**38,076**	**13,585**	**7,706**	**543**	**4,347**	**23,459**	**13,807**	**34,001**	**63,936**	**71,588**

O: Online / CB: Classroom based

1. The training hours of the US have not been broken down by type of training or professional category and, therefore, they are not in the total of the table. The OHL Group will continue to work to improve information gathering processes in future years.

Training by professional category and gender

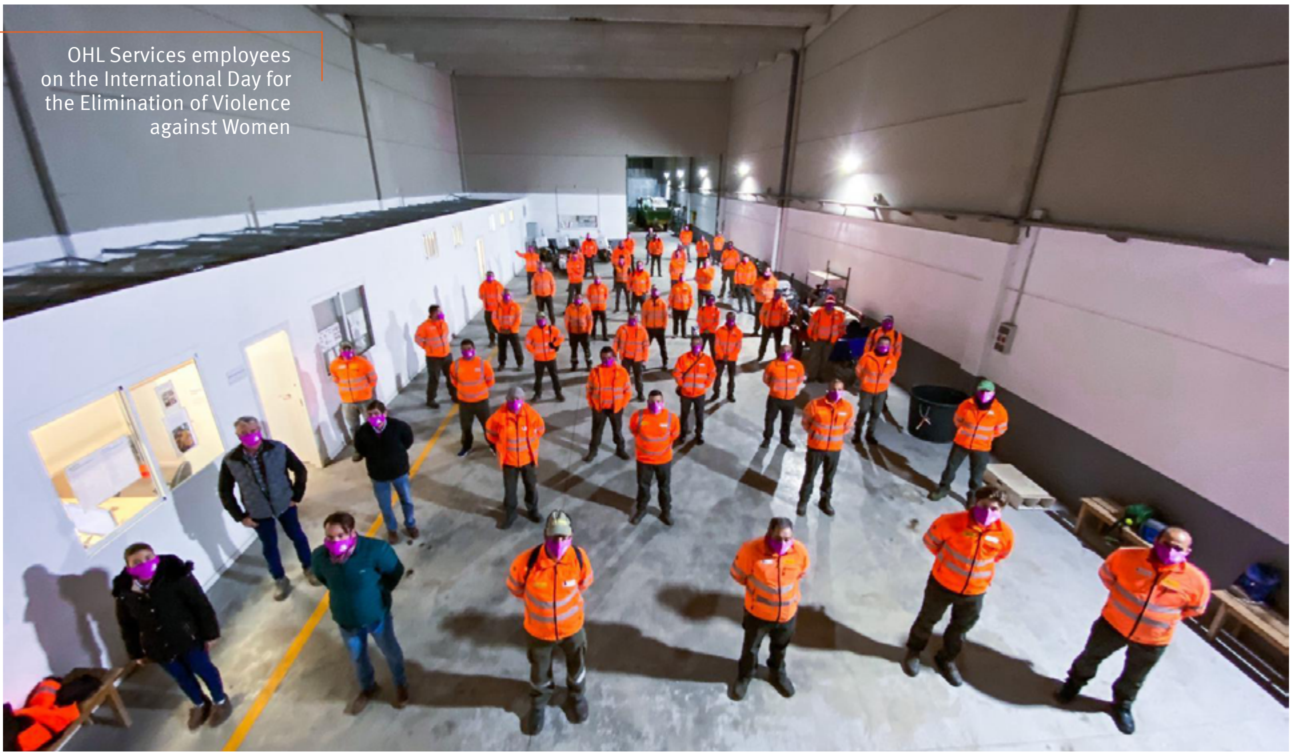
	Senior executives		Executives		Managers		Supervisors		Other line personnel		Manual workers		Clerical staff		Total	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Construction and Corporate	186	48	1,795	225	-	-	11,215	1,497	16,440	5,999	18,405	490	1,569	2,446	49,610	10,705
Industrial	-	-	16	3	-	-	1,172	117	1,234	707	546	-	4	69	2,972	896
Services	2	-	87	35	-	-	3,478	1,477	1,145	1,462	33,390	27,409	860	1,696	39,262	32,079
Total 2020	**188**	**48**	**1,898**	**263**	**-**	**-**	**15,865**	**3,091**	**19,119**	**8,168**	**52,341**	**27,899**	**2,433**	**4,211**	**91,844**	**43,680**
Total 2019	**330**	**85**	**2,166**	**439**	**3,963**	**634**	**27,219**	**5,976**	**29,335**	**12,718**	**40,773**	**5,929**	**4,501**	**5,401**	**108,286**	**31,182**

Total 2019	Total 2020	Year-on-year change
139,468	135,524	3%

COVID-19: IMPACT ON PEOPLE

Following the irruption of covid-19, our priority was and is to support our employees and, accordingly, in addition to the measures established in the action protocols, OHL wanted to be as close to its employees as possible and opened various channels to communicate with and support them during this situation.

In this connection, for example, a specific Coronavirus Community section was created, in which health initiatives and programmes for dealing with the illness are disseminated. Through the Employee Assistance Programme (PAE), OHL



OHL Services employees on the International Day for the Elimination of Violence against Women makes available to all its employees an online tool in which they can find advice and support of all kinds, such as free psychological advice.

In August 2020 the Corporate Transformation Department launched a study to bring together all the learning acquired during the period of teleworking that had taken place until then, in order to detect good practices and areas for improvement. This study contains a series of conclusions and establishes several lines of work, such as training in competencies and technology, collaborative work techniques and methodologies and the monitoring of tasks and objectives.

As a consequence of the economic and production situation stemming directly from the pandemic, in Spain, on 23 March 2020, the employment authorities were notified of the commencement of a process to implement several furlough-type arrangements at several OHL Group companies (OHL, GYO, SATO, Elsan, Sobrino, EYM, OHL Industrial and Mining & Cement) which affected the workers at these companies. On 6 April 2020, consultation periods started with the legal representatives of the workers and the leading trade unions. On 11 April 2020, agreements were reached for contract suspensions and reductions in working hours from 15 April 2020 to 14 July 2020 (inclusive), with the commitment that this measure would last as short a time and affect the fewest workers as possible and that the effects thereof would be minimised.

The duration of the ERTEs was limited, due to the gradual return of activity, to 30 June 2020, which was earlier than the end date initially agreed upon at all the companies. A total of 570 people were affected by the various types of suspension of employment and reductions in working hours.

Although the ERTEs did not affect executives or similar categories (specifically business managers), in view of the requirement to adopt additional measures to mitigate the effects of the pandemic on the companies, the executive team and those of similar categories voluntarily agreed, as an exercise of joint responsibility, to a voluntary reduction of between 30% and 50% of their monthly gross fixed salaries, depending on their professional group; the members of the Board of Directors agreed to a salary reduction of 20%. This measure was implemented during the period in which the collective measures agreed upon in the ERTEs were in force.

HUMAN RIGHTS

The protection of human rights is one of the cornerstones of OHL's responsible business model. OHL's commitment in this area is manifested through its adherence to the Universal Declaration of Human Rights and the Global Compact, both promoted by the United Nations; the International Labour Organization's Tripartite Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines, among others. These principles constitute a coherent, inclusive and complementary model that brings together States' obligations and companies' responsibilities.

Since 2017 OHL has had its own specific human rights policy, which guarantees compliance and protection in all the areas in which OHL operates and with all the agents involved in its activity. Any possible breach of human rights by the Company's various stakeholders can be reported through the Code of Ethics' whistleblowing channel.

The Audit and Compliance Committee is ultimately responsible for ensuring compliance with human rights at OHL and it performs the associated control and monitoring functions through OHL's Internal Audit Department.

In this connection, in 2020, following an analysis of country risk, the Internal Audit Department conducted specific reviews of human rights at the Mantos Blancos and Américo Vespucio Oriente Toll Road projects in Chile and the Gibraltar Afar II project (Gibraltar). These audits did not disclose any significant incidents, although areas for improvement relating to the following actions were identified:

- Reinforce the communication campaigns of the Code of Ethics in projects and disseminate the importance of compliance with human rights at all levels.
- Continue working to strengthen the protocol for action on the recommendations identified.
- Ensure that each work centre has a copy of the human rights form, filled out by the person in charge.

In addition to the actions performed as part of the work of the Internal Audit Department, OHL made a commitment to launch a specific assessment questionnaire on this matter globally every two years. This enabled the Company's performance in this area to be assessed and a series of areas of work to be established in 2019. The measures adopted in 2020 specifically focused on encouraging internal awareness raising and complying with human rights. Specifically, in addition to various information capsules, in 2020 specific global courses were prepared on human derechos rights[2] and on the Code of Ethics.

The Company not only encourages respect for human rights among all its employees, but also extends the commitment to its supply chain and all communities affected by its activity. In 2020 OHL continued to make progress on the implementation of a process of risk analysis and due diligence of third parties including, in the declaration of suppliers and subcontractors as part of the assessment process, compliance with the principles of the Global Compact and knowledge and application of the values and principles of the Code of Ethics and the Responsible Purchasing Policy.

2. The specific course on human rights will be launched during 2021.

COMMUNICATION

OHL considers communication to be a strategic and transversal factor. As far as internal communication is concerned, the Communication Department makes particular use of the corporate intranet (OHL Link). This channel is reinforced by the Mosaic online bulletin, which publishes the experiences of the Company's employees; Tecno, the corporate magazine, which disseminates the most important projects undertaken by OHL in all its areas of activity, and the social media profile. Also, in order to give visibility to the projects it carries out in the countries in which it is present, the seventh edition of the FOCUS Employee Photography competition was launched in 2020. 350 pictures were entered by more than 90 participants from eleven countries -Saudi Arabia, Chile, Colombia, the US, Spain, Ireland, Kuwait, Mexico, Norway, Peru and the Czech Republic-.

During the year, the Company conducted several campaigns focusing on compliance and sustainability. Awareness-raising actions were also undertaken for World Environment Day, International Women's Day, International Day for the Elimination of Violence against Women and International Youth Day. In addition, specific steps were taken to prevent contagion from covid 19.

The aim of these initiatives is to contribute to the various goals of the United Nations' 2030 Agenda for Sustainable Development through the external and internal dissemination of initiatives and good practices in each area, while at the same time strengthening the Group's employees' sense of belonging. As regards the Company's social networking presence, its LinkedIn profile exceeded 143,519 followers with 156 posts published, thus making a positive contribution to the Company's reputation.

In terms of external communication, OHL has various channels to meet the media's demand for information.

Health and safety

2020 was clearly marked and influenced by covid-19. As a result, the internal and external audit processes in the area of health and safety were affected.

Turning attention to external processes, in 2020 an audit was conducted on the renewal of the ISO 45001 certification in occupational risk prevention for Construction business area in Europe and Latin America and for the Services business area. As a result of the global pandemic, the deadlines for performing audit were extended until the end of November, having initially been scheduled to end in June. As the certification was due to expire in August, the certification company SGS put back the date until February 2021.

Despite all these factors, OHL adapted its work methodologies to enable the aforementioned audit processes to proceed, complying with the successive instructions and regulatory provisions issued by the Spanish Ministry of Health. Thus, meetings and consultations with the auditor were often carried out during the remote working phase and through online platforms.

The number of sites with occupational risk prevention certificates (ISO 45001) was maintained in 2020, with a total of 35 distributed among 14 countries, under the umbrella of the IMS

In addition, in 2020 the National Commission for Health and Safety in the Workplace continued to hold meetings and work to guarantee the participation of all the workers in the Spain Construction area.

OHL has various health and safety committees whose main objectives are to guarantee participation and permanent communication between prevention supervisors, prevention delegates, prevention technicians and trade union officials, as well as senior executives and managers of the various workplaces of the Company's divisions. Another of the objectives set is to perform preventive surveillance and coordinate activities, with the participation of representatives of the workers of the Company itself, and subcontractors.

In 2020 the main matters considered at the committee meetings were covid-19 prevention actions, which were adopted at OHL's various workplaces, as well as other issues related to the outcome of the audits conducted, the monitoring of accident rates, medical examinations and training activities. The formal health and safety obligations of employees are covered by the various collective labour agreements entered into by the Group.

It should also be noted that OHL has invested heavily in raising its workers' awareness of occupational health and safety, as it considers that information and its dissemination is a key tool in the integration of safety in the production process and the basis of self-care for all employees. In this regard, the Construction and Industrial business areas and, to a lesser extent, the Services business area, continued to hold occasional and regular on-site safety talks given by the production teams (toolbox meetings), and also in relation to first-aid and emergency training. These talks are very popular, and are useful and productive in terms of increasing the safety of OHL's various work sites, projects and services.

In 2020 a total of 206,539 hours of occupational risk prevention training were given to workers

	ORP training hours
Construction	178,384
Industrial	15,501
Services	12,654
Total	**206,539**

Accident rates

	Frequency rate		Severity rate		Incidence rate	
	2019	2020	2019	2020	2019	2020
Construction	5.8	6.9	0.3	0.4	1,232.1	1,312.4
Industrial	2.2	1.5	0.2	0.1	485.9	281.9
Services	29.7	24.9	1.0	0.7	5,243.2	4,396.9
Total	**15.9**	**15.8**	**0.6**	**0.5**	**3,124.3**	**2,895.3**

F.R. = Number of accidents with sick leave * 1,000,000/No. of hours worked.
S.R. = Number of days lost * 1,000/No. of hours worked.
I.R. = Number of accidents with sick leave * 100,000/No. of workers.
Health and safety measures are applied equally at OHL, with no gender differences.
Commuting accidents are excluded.

In 2020 there were 18 occupational illnesses at the OHL Group, all of which affected women in the Services line of activity. [3]

	Accident rates 2019 vs 2020
Frequency rate	-0.4%
Severity rate	-16.0%
Incidence rate	-7.0%

The change in the accidents, mainly in Construction, was due to the reduction in the number of hours worked as a result of the ERTE arranged by the Company. Also, the subsidiary E&M, which was formerly part of OHL Industrial, joined the Construction area, with the consequent increase in rates in this division.

OHL was granted an Excellence in Safety award by the Chilean Safety Association (ACHDS) for projects including Lacrim PDI (by Obrascón Huarte Lain, S.A.) and the La Estrella wind farm (OHL Industrial, S.A.) for achieving zero "lost time" accidents in 2020

Accordingly, it should be clarified that any statistical analysis of accidents must be framed within a minimum number of hours worked[4], in order to consider the indicators analysed as significant, both upwards and downwards. The changes in these rates are not significant from a statistical or management standpoint, considering the period of absence and not the type of accident.

3. Of the 18 occupational illnesses, 8 were recognised cases of covid-19 at OHL Servicios-Ingesan Chile. Chile recognised covid as an occupational illness among social and health care workers in 2020.
4. As a general rule, this is around 250,000 hours.

Number of accidents and severity broken down by gender

	Men		Women		Total	
	Minor	Serious	Minor	Serious	Minor	Serious
Construction	89	23	3	1	92	24
Industrial	1	1	0	0	1	1
Services	107	18	284	55	391	73
Total	**197**	**42**	**287**	**56**	**484**	**98**

Cuídate OHL

In 2020 the Company's CUÍDATE OHL programme had two main objectives: its implementation at national level and its increased incidence on employees' day-to-day activities.

Against the backdrop of the health crisis, the programme was adapted to the new reality. Accordingly, the activities performed during the pandemic were adapted in an attempt to care for and improve the human team's health at all times and allay everyone's concerns. The matters addressed, both by weekly emails and through online workshops, included the following:

- How to deal with lockdown.
- New lockdown guidelines.
- Recommendations for coping with the new normal.
- Stress and concern management.
- How to prevent and reduce back pain.
- Sleep and stress (sleep hygiene).
- Recipes and healthy cooking.

The University of South Florida granted OHL North America the Sunshine State Safety Recognition Award for its continuous efforts to implement safety recommendations in 2020

Also, OHL continued to participate in the Health and Sustainability Action Group, coordinated in Spain by Forética, to promote health and welfare as a fundamental axis of sustainability and corporate social responsibility. In this regard, OHL's annual Health and Woman campaign, aimed at boosting the gynaecological health of the Company's female employees through medical check-ups, was honoured by Forética as a good business practice in 2020.

Lastly, the Prevention Service continued to participate in forums despite the pandemic, exclusively online. These activities most notably include cooperation among the managers of the prevention services at the construction companies that make up SEOPAN's ORP Committee, which established covid-19 action protocols at the construction, project and office workplaces that later served as a basis for OHL's other lines of business.

The following lines of action were taken: general distribution of face masks (surgical and/or FFP2, as the case may be) to all OHL workers and to those from subcontracted companies at work sites and offices; handwash and/or sanitiser was made available to workers at all of OHL's offices and work spaces; protocols were put in place to specify the measures for ventilating, cleaning and disinfecting the workplaces; and the recommended minimum physical distancing between workers was ensured. Also, office capacity was reduced to 50%, which led to the adoption of organisational measures such as establishing maximum capacities, shift rotation and remote working, etc.

These measures and messages were strengthened through continuous communications by means of email and signage at the workplaces.

Customers

The organisation continues to implement the integrated management system (IMS) for quality (based on the ISO 9001 standard), occupational risk prevention (ISO 45001), and the environment (ISO 14001) in its current version. In this regard, in 2020 OHL continued with the internal and external audit processes and renewed the multisite certifications until August 2023.

Using the procedures established in its Integrated Management System, the Company determines the methods for obtaining and using information in order to satisfy its customers, identifying and responding to their needs and expectations. To do so, it monitors the information on customers' perceptions of OHL's fulfilment of the requirements. Surveys are normally used as the main means of analysis, although customers can express their satisfaction or dissatisfaction through questionnaires, interviews, complaints, claims, suggestions and/or after-sale audits.

As well as reviews by OHL's management to determine whether there are needs and opportunities that might contribute to the continuous improvement of the suitability, appropriateness and effectiveness of the management system in place, OHL endeavours to identify the areas of its organisation that offer opportunities for improvement, implementing the required actions to enable the continuous progress of the system's performance.

The IMS's objectives and, specifically, quality objectives, are focused on the Company's commitment to creating new guidelines and procedures to increase capacity and thus meet the requirements demanded by, and increase the satisfaction of, both customers and other stakeholders.

DA total of 356 claims and 1,846[5] grievances were received in 2020. OHL considers a claim to be a claim made in relation to a construction work defect, at least three months following delivery to the customer and considers grievances to be those that are made by stakeholders affected by the work performed by OHL during the performance of the work.

Supply chain

Adequate supply chain management and control at OHL are essential to achieve coordination and success in all projects. This is accomplished, inter alia, by establishing the appropriate mechanisms for managing environmental, social and good governance (ESG) risks arising from the supply chain, over the entire life cycle.

Suppliers must be assessed (accredited) prior to any award, in accordance with the requirements established in OHL's codes, policies, rules and processes. Also, critical suppliers are subject to a Third Party Due Diligence analysis, in which their suitability is assessed from the technical, financial and compliance standpoints. In this connection, in 2020 the supplier and contractor declaration was updated for the assessment process, specifically including ESG matters such as compliance with the Global Compact and knowledge and application of the values and principles of OHL's Code of Ethics, Anti-Corruption Policy, Crime Prevention Policy and Responsible Purchasing Policy. Also, upon closure of the life cycle, the aforementioned matters are assessed and monitored in order to ensure that purchases and subcontracting practices meet the ESG requirements set out in the related contract.

Sustainability is a basic pillar of the Company's strategy and, therefore, of its supply chain.

OHL is aware of the challenge that conveying the importance of sustainability to the Company's supply chain represents, but it is also aware of the related opportunities. In this respect, in 2017 OHL published its Responsible Purchasing Policy, in which it expressly establishes the commitments relating to its suppliers and contractors in this area. In terms of its contractors, OHL's endeavours to boost local contracting are of particular note. In 2020 local suppliers accounted for 96.7%[6] of new contracts. Some of the matters on which the Company worked in 2020 were as follows:

Approval of the supply chain assessment and monitoring process, and adaptation of the Computerised Purchasing System (CPS) to comply therewith.

Application of the CPS to OHL's subsidiaries and cost control using that system, in order to expedite comparison processes and provide instant information to all the parties involved in construction projects.

Establishment of mandatory requirements in the assessment process:

- Signing of OHL's Responsible Purchasing Policy, which includes compliance with the Code of Ethics and familiarity and compliance with the Ten Principles of the UN Global Compact.
- The requirement that suppliers must not have been adjudged in a final decision to have breached any of these Principles in the previous three years.

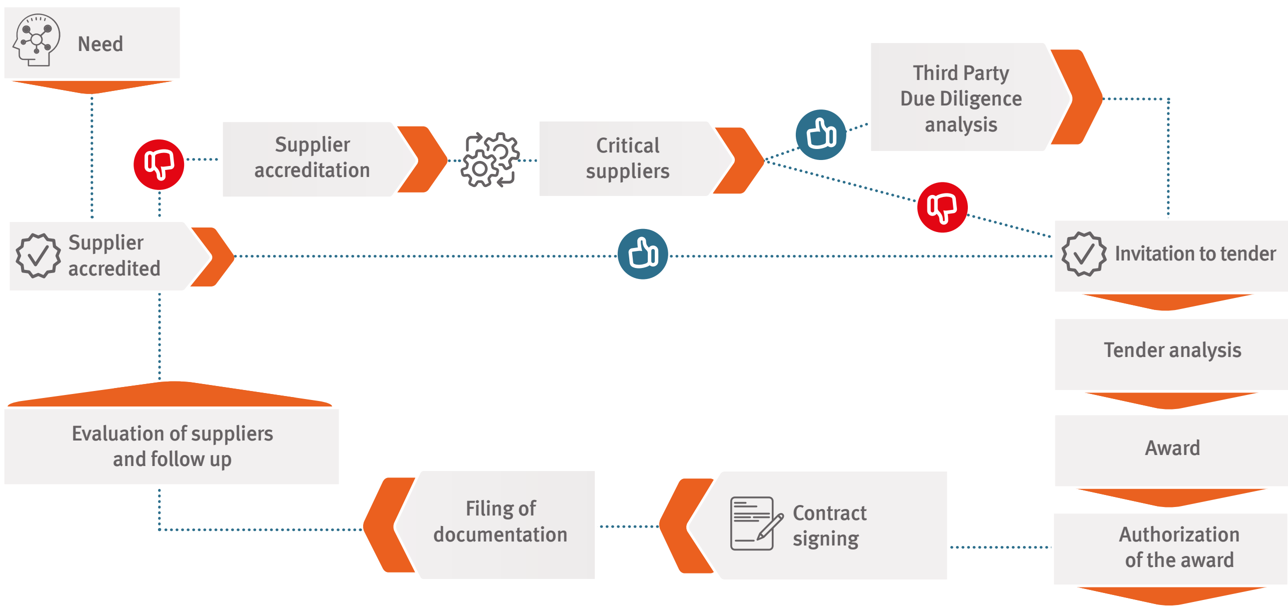
Update of new standard-form contracts, preventing and minimising risk for all parties; and improving the understanding and processes of the various standard contracts.

As a complementary measure, work is being performed to increase the available information on suppliers and automate the Company's experience with each of them. This, together with the assessment ratings and the monitoring of the Third-Party Due Diligence process and the internal lists, will ensure that key information is available and can be accessed clearly and simply for decision-making.

5. The claims and grievances of Ingesan México could not be recorded, due to the current data collection format. OHL is working to improve this process in order to include the data in future reports.

6. Dato estimado en base a los importes reportados por país de compras a proveedores locales. OHL considera proveedores locales a aquellos cuyas operaciones se desarrollan en el país de origen donde se efectúa la compra.

PURCHASING PROCESS



Supplier data

	2,020	2,019
Total number of suppliers/subcontractors contracted in the year	18,218	17,195
Total volume of the expense relating to purchases from suppliers/subcontractors made in the year (millions of euros)*	1,897	2,106
Total volume of the expense relating to purchases from local (same country) suppliers/subcontractors	96.7%**	96.5%

(*) Including figures on procurements and outside services.
(**) Estimated figure based on the amounts reported by company relating to purchases from local suppliers.

The Company also works on promoting purchases of sustainable products. In this connection, management of General Services continues to focus on the importance of working with suppliers that include environmental management solutions in their work, particularly those that offer office equipment and IT consumables. A cooperation agreement was entered into with various sustainable mobility companies to promote their use in work-related trips, as their "zero emissions mobility" targets complement the objectives set out in relation to carbon footprint reduction.

Also, OHL takes into account the criteria of the European regulatory guidelines established by the WLTP (Worldwide Harmonized Light Vehicles Test Procedures) standard[7] when renewing its fleet of vehicles.

7. New vehicle type approval protocol established by the European Union, which specifies a new testing cycle and a new procedure for measuring fuel consumption, CO2 emissions and the regulated pollutants for certain vehicles under standard laboratory conditions.

Community

CONTRIBUTION TO SOCIETY

Value creation table

Economic value generated	**2020**	**2019**
a) Income		
Revenue	2,830,737	2,959,905
Other operating income	51,155	86,175
Finance and other income	17,857	22,936
Total	**2,899,739**	**3,069,016**
b) Operating costs		
Procurements	1,591,062	1,726,202
Other operating expenses	467,802	497,187
c) Employee salaries and benefits		
Staff costs	755,130	757,502
d) Payments to capital providers		
Dividend	0	0
Finance costs and exchange differences	56,286	54,270
e) Taxes		
Income tax	22,989	21,842
f) Resources allocated to society		
Resources allocated to the community	373	424
Total	**2,893,642**	**3,057,427**

EUR million

SOCIAL INVESTMENT AND VOLUNTARY WORK

OHL, due to its inherent nature as an infrastructure company, has an indirect and direct social impact wherever it operates. The Company considers that its role goes beyond the projects, and it contributes to economic development and social cohesion in the cities and regions in which it is present. This contribution is made mainly through two channels:

- Promotion of local employment and development of professional integration programmes for people at risk of social exclusion.

Directly, OHL creates a positive impact in terms of revitalising the region's economy by hiring locally, generating local employment and participating in professional cooperation projects with local suppliers. It often provides workshops and training and qualification programmes to create opportunities and foster employability among the most vulnerable groups. But the Company also actively seeks integration and dialogue with local communities. To do this, it sets up discussion groups, neighbourhood meetings and introduction and information days, among other measures.

SOCIAL INITIATIVES AND VOLUNTEERING

OHL is a socially committed company and is aware of the problems affecting society in general and, more specifically, affecting the most vulnerable groups and/or those at risk of social exclusion. For this reason, it participates in corporate volunteering initiatives which strengthen the social and communication skills of these groups while promoting equal opportunities for people with disabilities, In this regard, in 2020 the Company participated in certain noteworthy initiatives in Spain.

Also, social and labour market inclusion is one of OHL's priority lines of action. This takes the form of various awareness-raising and corporate volunteering actions and the promotion of direct employment. To achieve this, OHL works alongside various entities including most notably Adecco, Integra, Konecta, Prodis, Aprocor, Randstad and Down Madrid. Thanks to this collaboration work, OHL has hired more than 600 people at risk of social exclusion over more than 15 years.

PROMOTING THE DEVELOPMENT OF LOCAL COMMUNITIES

Social support and work to help local populations and the communities in the area of influence of the Quellaveco and Anamina projects (Peru). Of particular note is the boost to the local economy through the hiring of more than 500 people over the course of the project and the investment in local services, with a significant volume of local products and services contracted.

PROMOTING EQUALITY IN THE WORKPLACE

Equal opportunities for people with a disability is encouraged in the Cúcuta Aqueduct project (Colombia). Accordingly, a total of five people with disabilities are working on the project.

ICT FOR EQUAL OPPORTUNITY

A campaign to donate office computers and furniture that are no longer used as part of the Mexico-Toluca Intercity Train project (Mexico). Thanks to this campaign, schools with scant resources have been supported so that they can access technology in times of covid-19, when most classes have been taught online.

OHL COLLABORATES WITH MENSAJEROS DE LA PAZ TO HELP DISADVANTAGED PEOPLE

OHL participated in the VIII edition of the "The great collection 2020" campaign, with the donation of nearly 200 solidarity boxes and EUR 2,000 by the Company in addition to more than EUR 600 collected from among its employees. The boxes, which included food and basic necessities, and the financial donation were a result of a collaboration with the Mensajeros de la Paz (Messengers of Peace) association and were given to socially vulnerable people.

OHL IN THE VIRTUAL ALDEAS INFANTILES SOS CHARITY RACE

OHL participated in the first virtual Aldeas Infantiles SOS charity race to collaborate in the fight against the poverty caused by covid-19 which affects a great number of families. The aim was for all the participants to run a combined distance of 40,000 km, the equivalent of a trip round the world.

COOKING FROM THE HEART OF MADRID

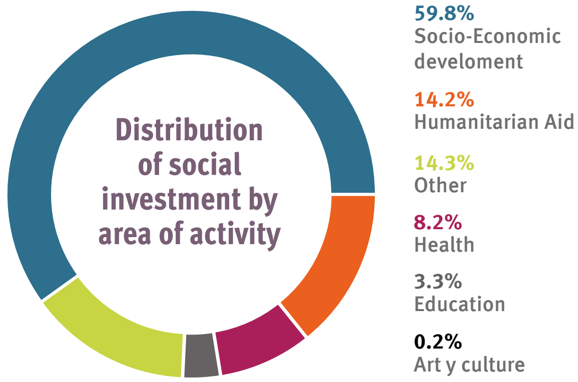
#Wewanttobeuseful (#Queremosserútiles) was the motto of the initiative launched at the start of the pandemic by the Four Seasons, the Dani García Group, Mohari Hospitality and OHL Desarrollos to help mitigate the social effects of covid-19. Through this solidarity initiative, which was supported by the Madrid Municipal Council, every day of the week 1,000 healthy meals were prepared for vulnerable families living in nine districts of Madrid (Spain). The menus were prepared on a daily basis in the kitchens of the Four Seasons hotel, located in Centro Canalejas in Madrid, by a group of 17 employees, including cooks and support and cleaning staff.

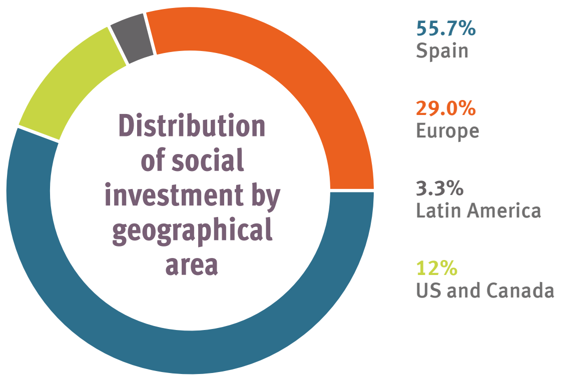
FUNDACIÓN INTEGRA'S EMPOWERMENT SCHOOL

OHL participates in corporate volunteering at Fundación Integra's Empowerment School This is an integrated training and personal empowerment programme that enables its beneficiaries to rediscover their abilities and skills and channel them towards seeking employment. Since its beginnings twenty years ago, OHL has offered 686 jobs to people at risk of severe social exclusion and people with a disability, thus opening the way to the recovery and integration of the most vulnerable people in our society and boosting their self-confidence and employability.

OHL SERVICIOS-INGESAN, RECOGNISED AS A RESPONSIBLE COMPANY DUE TO ITS COMMITMENT TO THE INCLUSION OF DISADVANTAGED GROUPS IN THE JOB MARKET

The Group's social investment[8] in 2020 amounted to EUR 373,000.





In 2020 OHL continued to participate in the Forética Social Impact Cluster, a business meeting point designed to provide enhanced information on the impact of social investment initiatives carried out by businesses.

TAX INFORMATION

OHL's contribution to society is expressed by giving back, through the payment of taxes, a portion of the wealth created, thereby contributing to the economic and social development of the countries in which it operates.

Respect for the law, transparency and accuracy of information are basic principles of behaviour and general behavioural guidelines for the OHL Group. For this reason, the Company complies with all the tax obligations that arise as a result of its business activity in accordance with the rules applicable in each of the jurisdictions in which it operates, thereby implementing its tax policy. Also, information is provided on the total tax contribution, broken down by the regions in which the Company is present.

8. Including volunteer work, measures performed with employees and legal and/or contractual obligations.

In line with the foregoing, OHL is signed up to the Code of Good Tax Practices of the Spanish Tax Agency (AEAT). In 2017 the Board of Directors approved the Group's tax policy, which also extends to, and compliance with which is promoted at, the entities in which OHL has a non controlling interest.

+ Further information:
Economic dimension. Tax contribution

The Board of Directors is in charge of, inter alia, monitoring transactions that entail a special tax risk and identifying and following up the Group's risks, which it does through the Audit and Compliance Committee (the "Audit Committee"). Accordingly, the Audit Committee's duties include overseeing the functioning and effectiveness of the system for managing and controlling the Group's risks, including tax risks.

OHL's total tax contribution in 2020 amounted to EUR 286,992 million

Environmental dimension

OHL has its own framework of action that forms the basis for the mechanisms which set out the lines of action relating to sustainability. This framework is implemented through its Sustainability Plan, which is currently under review and being adapted to the Company's new structure and to the need to respond to the global roadmap. The Plan will strategically address how to tackle the challenges posed by climate change and emission reduction, among other important issues for the business.

Although in 2020 all signs pointed to significant global advances in terms of sustainability, such advances were halted due to the global health crisis. Companies must join forces in an attempt to speed up the rate at which the Sustainable Development Goals (SDGs) are achieved. In this sense, OHL assumes an unavoidable responsibility in the face of the challenges that have arisen at global level. In 2020 the Company reaffirmed its commitment to combating climate change, protecting resources and biodiversity, integrating the circular economy in production processes and improving energy efficiency, among other key sustainability issues.

Environmental highlights of 2020

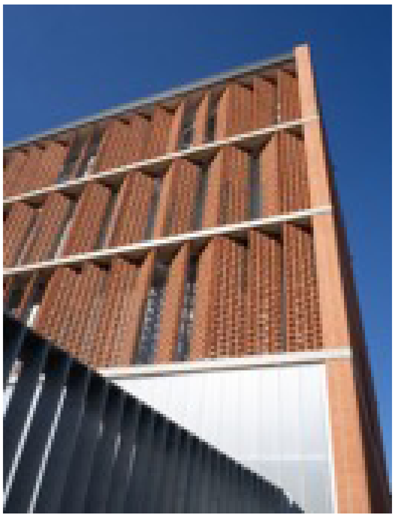
Primary level of importance	Secondary level of importance
Energy consumption	Noise and vibration emissions
Consumption of raw materials	Impact on biodiversity, ecosystems, fauna and flora
Water consumption	Dust and particles emissions
Greenhouse Gas Emissions	In 2020 decontamination and environmental prevention and management costs amounted to EUR 421,259.70. In addition, an environmental investment of EUR 408,637.60 was made.
Waste generation	

Sustainable construction

The construction industry can help to halt climate change by developing more sustainable infrastructure and construction processes. In the field of singular building construction, OHL incorporates sustainability criteria in line with the LEED®, BREEAM®, Passivhaus, CES and WELL methodologies. It can also help to halt climate change by seeking efficiency through the implementation of innovative techniques and processes, the usability of infrastructure and contributions to the welfare of its users.

In this regard, to date the Company has performed a total of 38 projects with sustainability certification, of which 97% are in the USA and Spain. 47% of the initiatives were carried out under the LEED® Gold scheme.

Also, in terms of the performance of new work, there are a total of three WELL projects in Spain, two of which are in the WELL Gold certification level.



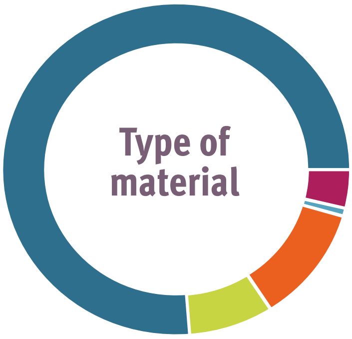
Camp del Ferro sports centre (Barcelona, Spain) - LEED® Gold category.

Circular economy

The construction industry is one of the largest consumers and producers of construction and demolition waste (CDW), which can ultimately constitute a high proportion of the total waste generated at global level. This demonstrates the true importance of the situation and the opportunity to apply a circular economy and move towards greater sustainability in the construction industry, with the aim of reusing resources and optimising their use.

OHL follows this maxim in its projects, attempting to maintain the resources it uses in the process for as long as possible, by promoting the reduction, reuse and recycling of waste and feeding it back into the production cycle through innovative processes.

It should be noted that in 2020 OHL increased its use of reused material of external origin by 255% (including aggregates, earth, rocks and topsoil) with respect to 2019, with the total quantity of this material amounting to 1,197,316.7 t (2019: 337,549.3 t).



70.5% Natural raw materials (quarried earth, rocks and aggregates) (t)

7.3% Reused materialof external origin (t)

10.5% Concrete (t)

0.73% Cement (t)

3.5% Natural topsoil (t)

6.2% Bituminous mixtures and tars (t)

0.6% Metals (t)

0.4% Reused topsoil from external suppliers (t)

0.4 Wood (non-certified forest product) (t)

0.2% Paper (recycled non-certi.ied forest product) (t)

0.0% Paints (t)

0.0% Chemical products (solvents, plant protection products, fertilizers and other) (t)

In each of the phases that might form part of a project (clearing, demolition, excavation and earth-moving, laying of foundations, creation of structures and coating, surfacing, urban development, carpentry and landscaping, among others), both hazardous and non-hazardous waste will be generated and may cause negative impacts on the environment.

+ Further information
Appendix: "Environmental performance indicators"

Therefore, OHL makes additional efforts to properly treat, from the outset, the materials generated throughout the construction process. The aim is to be able to reuse them, giving them a second life and making every effort to ensure that waste, wherever possible, does not end up at a landfill site. In 2020 reused non-hazardous waste constituted 57.3% of total waste generated, representing 30% more waste used than in 2019.

OHL AND THE ZERO WASTE INITIATIVE

In February 2020 the area in charge of environmental matters in the Gibraltar Airport Tunnel and Frontier Access Road project held, in Gibraltar, the first OHL and ZERO WASTE event in order to promote the sustainable reuse of waste materials.

This innovation contest was very popular, with the presentation of seven candidates with projects involving the use of construction waste which reduced its management costs as waste and represented project savings. For example, a phenolic panel, wire, emergency buttons, geotextiles and rebar spacers were used to make a seesaw, which won the first prize.

WASTE ENERGY RECOVERY

In the work carried out to upgrade the Tordera-Maçanet de la Selva stretch of the N-II toll road in Girona (Spain), tree felling waste was recovered for its transformation into forest biomass. Through this action, a total of 10,373 tonnes of biomass was produced.

RECOVERY AND REUSE OF MATERIALS

In the Lund-Arlöv project (Malmö, Sweden), OHL was a pioneer in transferring material from one construction site to another and reusing it; reusing around 20 km of rails, with each section measuring 180 m; and using 12,500 concrete sleepers, thereby avoiding the release of around 2,200 tonnes of CO_2 into the atmosphere. These materials are from the improvement work on the Lund-Arlöv line, one of the most travelled railway routes in Sweden, which OHL is carrying out together with NCC for Trafikverket (the Swedish Transport Administration). The materials recovered in the disassembly, which was the first such work of this scale in the country, will be used for projects such as the Halland section in the south of Sweden.

Climate change

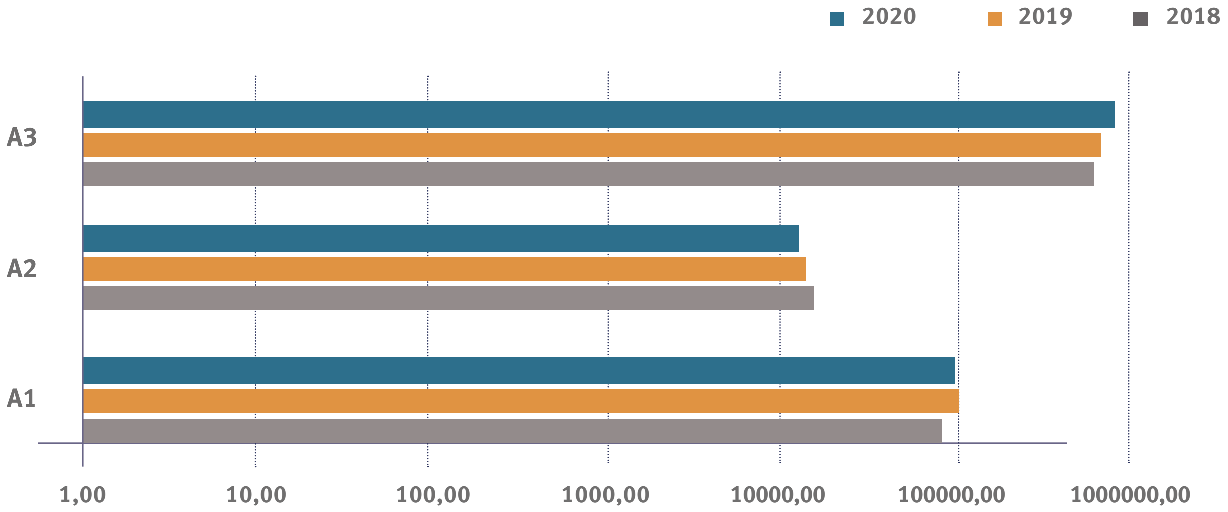
The fight against, mitigation of and adaptation to climate change are aspects that form part of OHL's agenda. Addressing all of these matters requires a proactive and preventive approach that enables the business to implement key actions to achieve emissions targets, while managing to build more resilient and energy efficient infrastructure.

OHL works to achieve its reduction targets, set out in an internal emissions reduction plan which is under review with a view to making it more ambitious, and it aims to lay the foundations for the actions that the Company has established within its business model, in order to achieve the reduction goals defined by European and national regulation and action mechanisms.

HOW WE REDUCE EMISSIONS

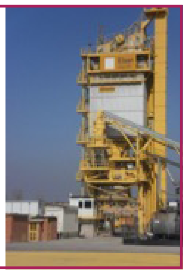
- Use of a sustainable fleet and reduction of fossil fuel consumption
- Regular testing and servicing of construction machinery
- Reduction of business trips and encouragement of video calls
- Arrangement of agreements with automobile companies for sustainable mobility.
- Purchases and acquisitions from local suppliers
- Use of low-energy lighting in offices and at construction sites.
- Establishment of sustainable building criteria

Changes in emissions (tCO_2eq)



CHANGE IN THE POWER OF THE HEATER AT THE ELSAN ASPHALT PLAN

In September 2020 the subsidiary OHL ESLAN, which specialises in the upkeep and maintenance of road services, airports, urban services and infrastructure, decided to replace the burner of the thermal oil heater at its plant in Arganda del Rey in Madrid (Spain) with a new natural gas burner in order to reduce its CO_2 emissions.



EXTENSION OF THE USE OF THE OPC TOOL

OHL Industrial, in its Mantos Blancos project in Chile, implemented the OPC tool for the operational control of the project's documentation. New indicators linked to the tool were designed in 2020 which will enable the quantification, among other environmental parameters, of the emissions that are no longer released as a result of journeys of suppliers which were made due to the old documentation process. Also, the application includes the SDGs for the monitoring of those issues directly involved in the management of the OPC, such as the reduction of tree felling and water consumption. In addition, work with local suppliers was promoted, with the aim of reducing both energy consumption and polluting emissions.

ENERGY AUDIT

In order to comply with Royal Decree 56/2016 on energy efficiency, the energy audit of OHL was conducted in 2020, the scope of which included its headquarters at Torrespacio in Madrid and the Company's vehicle fleet. These two areas of consumption account for 85% of the overall energy consumption of the activities performed by the Company at the offices in Spain.

Additionally, in the framework of its climate commitment, OHL continues to work to neutralise its emissions through offset mechanisms, voluntarily investing in specific projects that allow it to mitigate climate change. Thus, over the last four years the Company has offset more than 10,000 tCO2e by investing in certified reforestation projects. In 2020 the organisation offset its carbon footprint through a biogas electricity generation project in Chile, known as the Loma Los Colorados Landfill Gas Project. This project makes it possible to recover the biogas generated by the landfill and use a portion of it to generate electricity.

+ Further information:
Appendix: "Environmental performance indicators"

Also, OHL has voluntarily renewed its registration in the Carbon Footprint Register of the Spanish Office for Climate Change, thus obtaining the Calculo seal awarded by that body, which validates the calculations of carbon footprint according to the methodology and principles established by the Ministry for Ecological Transition and the Demographic Challenge.

Water management

Water is an essential resource throughout the production cycle of OHL's projects, not only in the construction phases but also in the very production of the materials required to carry out the work, as is the case of cement and concrete. The Company is fully aware of the need to protect this scarce and limited resource and ensure the responsible and sustainable consumption thereof through sound management that will guarantee that it is used efficiently and harnessed in the best possible way. To do this, OHL ensures that the impact on the water cycle is reduced in all its phases, including construction processes. This includes rational use which avoids, inter alia, contamination of bodies of surface water and underground water tables.

+ Further information:
Appendix: "Environmental performance indicators"

Also, the Company attempts to maximise, wherever possible, savings on drinking water by reusing the resource in certain construction phases that allow for this to be done, and carries out actions in the operations of projects, such as in the cleaning of roads and machinery or facility testing. Also, in areas with scarce water supply OHL strives to optimise the efficiency of water use and reduce the water collection processes that might cause a water imbalance in the area.

Además, cuando se producen vertidos de la misma, se asegura la recuperación de los parámetros ambientales necesarios que garanticen su calidad y la protección del medio hídrico, mediante sistemas adecuados de tratamiento y depuración adaptados a su operativa.

PROTECTION OF SPRINGS

In the projects performed by the Company in Peru, the planning of activities has been a fundamental tool for establishing controls in each of the stages of the projects. Specifically, this made it possible to ensure that any effects on the area's water resources were kept to a minimum. Accordingly, water protection measures were implemented to avoid sedimentation and mitigate potential adverse effects during the construction of drainage and subdrainage systems for water collection. Of note are the application of temporary diversion structures and the monitoring of turbidity, suspended solids and the presence of aquatic fauna.

Biodiversity

The Company's work may be carried out within, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. In view of the nature of the Company's activities, significant impacts can arise, such as the fragmentation and transformation of habitats, the displacement and reduction of native species, potential adverse effects on water, soil contamination, the barrier effect, migratory effects on fauna and changes in ecological processes, among other negative impacts.

In order to prevent and mitigate these negative environmental effects, an analysis of the area is conducted in all projects, aimed at identifying the affected species, the area occupied and the means necessary to redress the impacts of the work. Impacts are controlled through prevention plans, the measurement of impacts and offset actions included in the related Environmental Impact Assessment. Erosion and sedimentation protection measures are taken, such as the stabilisation of altered surfaces, adequate vegetation management and species control to avoid the spread of invasive species, restrictions on the duration of earth-moving, controls on the effects of water collection, monitoring of the quality of water bodies and adequate waste management, among others. Also, in certain projects OHL takes specific actions that enable the conditions of flora and fauna in the area to be improved, as well as the possibility of regenerating and recovering native species that might have been affected.

In summary, the Company works to manage environmental impact wherever it operates by implementing responsible biodiversity management practices and repair and restoration projects, in accordance with the applicable legislation in each country.

RESCUE AND RELOCATION OF CALYDOREA XIPHIOIDES AT THE LA ESTRELLA SOLAR PV FARM. CHILE

The La Estrella solar PV farm is located in the Libertador Bernard O'Higgins region of Santiago de Chile, an area that is home to calydorea xiphioides, a plant species of the Iridaceae family endemic to Chile which is categorised as vulnerable, based on the Regulation for Classification of Species. For this reason, prior to the installation of the construction work for the project, a bulb rescue and relocation plan was carried out in order to avoid causing any adverse effects on the species. Specifically, 116 specimens were rescued and relocated.

Also, in the context of the accompanying Environmental and Social Management Plan, all workers were informed of the characteristics of the area's flora and fauna and the possible impacts that they might suffer as a result of the work. In this connection, all the necessary signage was prepared and distributed in the construction phase to indicate the prohibition of certain activities that might negatively affect the environment and to preserve the local fauna and flora.

Arenós Dam. Spain

04
Corporate Governance


I-75. US

Good governance

Ownership structure

At 31 December 2020

Shareholder	%
Inmobiliaria Espacio, S.A.	14.6%
Forjar Capital, S.L.U.	8%
Solid Rock Capital, S.L.U	8%
Other shareholders	69.3%*

* Simon Davis holds 4.99% of the voting rights through financial instruments. Sand Grove Opportunities Master Fund, Ltd. holds 3.95% of the voting rights through financial instruments.

Governance bodies

BOARD OF DIRECTORS

Composition at 31 December 2020:

Chairman
Luis Fernando Martín Amodio Herrera (proprietary))

First Deputy Chairman
Juan Villar-Mir de Fuentes (proprietary)

Second Deputy Chairman and CEO
José Antonio Fernández Gallar (executive)

Directors
Carmen de Andrés Conde (independent)
César Cañedo-Argüelles Torrejón (independent)
Juan Antonio Santamera Sánchez (other non-executive)
Juan José Nieto Bueso (independent) (coordinating director)
Julio Mauricio Martín Amodio Herrera (proprietary)
Reyes Calderón Cuadrado (independent)
Silvia Villar-Mir de Fuentes (proprietary)

The Company has a Board of Directors comprising ten directors, the functioning, structure and organisation of which, and of its committees, is based on the principles of independence, transparency and adherence at all times to best corporate practices in the interest of the Company and its shareholders.

At the proposal of the shareholder the Villar Mir Group, in 2020 the Annual General Meeting re elected Silvia Villar-Mir as non-executive proprietary director. Also, the Board of Directors resolved to appoint by co-optation the directors Luis Fernando Martín Amodio Herrera and Julio Mauricio Martín Amodio Herrero to cover the two vacancies caused in 2020 by the resignations of Javier Goñi del Cacho and Manuel Garrido Ruano. These appointments were made at the proposal of the significant shareholders Forjar Capital, S.L.U. and Solid Rock Capital, S.L.U., respectively, and both appointments are due to be ratified at the next Annual General Meeting arranged for 25 March 2021 at first call and for 26 March 2021 at second call.

Further information in the Annual Corporate Governance Report (ACGR) for 2020 and on the Company's website (www.ohl.es).

BOARD COMMITTEES

Audit and Compliance Committee (ACC)

Composition at 31 December 2020:

Chairman
Juan José Nieto Bueso (independent)

Directors
César Cañedo-Argüelles Torrejón (independent)
Julio Mauricio Martín Amodio Herrera (proprietary)
Reyes Calderón Cuadrado (independent)
Silvia Villar-Mir de Fuentes (proprietary)

Main business transacted by the ACC in 2020:

- Monitoring of business performance and, particularly, of the impact of covid-19 on the various activities and countries.
- Report to the Board of Directors on the budget for the year and monitoring of budget compliance.
- Monitoring of the Company's financial and cash position in the year.
- Analysis of the progress of the Group's significant transactions and financing in the year.
- Analysis and monitoring of related-party transactions in the financial and accounting areas relevant to the Committee.
- Analysis of the economic conditions of the arrangement entered into with the Villar Mir Group for the repayment of its debt and

the possible related accounting impact, examining the reports issued by external advisers and fairness opinions, providing a favourable report to the Board's plenary meeting regarding the transaction in the Company's corporate interest.

- Review and analysis, prior to the Board meeting, of the main interim periodic (quarterly and six-monthly) economic and financial aggregates, providing a favourable report for its presentation in due time and form to the markets and to their supervisory bodies.
- Review and approval of the 2019 tax report.
- Review of the system of Internal Control over Financial Reporting (ICFR) in 2020.
- Review of the financial and non-financial requirements issued by the CNMV and of the related responses prepared by Company management.
- Review of the external auditors' work.
- Review of the economic contracting conditions of the firm auditing the financial statements of the Company and its Group.
- Analysis of the independence of the external auditor and review of compliance with the requirements regarding conflicts of interest established in Spanish Audit Law 22/2015, of 20 July, considering such independence to be accredited.
- Approval of non-audit services provided by the external auditor to the Company or the Group subsidiaries, previously reported by the General Economic and Financial Department with respect to their nature, circumstances and amounts.
- Proposal to reappoint the external auditor for 2020.
- Performance of the selection process for a new external auditor of the Company and its Group, in accordance with Spanish Audit Law 22/2015, of 20 July, until the selection of EY as the candidate appointed by the Annual General Meeting as auditor of the financial statements for 2021, 2022 and 2023.
- Analysis and review of the internal audit reports prepared over the course of various selected projects and of transversal aspects of the various activities, their outcome, conclusions and, where applicable, recommendations to Company management.
- Review and approval of the Internal Audit Department's Annual Report for 2019 and of the 2020 Internal Audit Plan, including the budget for the year.
- Review and approval of the Compliance Department's Annual Report for 2019 and of the Compliance Department's Annual Plan for 2020, including the budget for the year.
- Analysis and processing of the complaints reported by the Compliance Department received through the Ethics Channel in 2020.
- Monitoring of investigations coordinated by the Compliance Department at the request of the Committee itself.
- Supervision of the work plan established for renewing ISO 37001 certification (anti-bribery management systems) and UNE 19601 certification (criminal risk compliance management system), obtained in 2019.
- Meetings held with the lawyers of the external firm appointed to conduct an independent investigation into the events referred to in the actions of Central Examining Court no. 6 in the Lezo Case, conveying to the Board of Directors the conclusions of those investigations, the outcome of which was ultimately submitted to the court in July 2020.
- Review and approval of the Risk and Internal Control Department's Annual Report for 2019 and of the Risk and Internal Control Department's Annual Plan for 2020, including the budget for the year.
- Update of the Risk Map (including financial and non-financial risks) and of the OHL Group's red lines.
- Review of the risk management internal regulations.
- Annual self-assessment of the Committee.
- Preparation of its Annual Report.

Further information in the Annual Corporate Governance Report (ACGR) for 2019 and on the Company's website (www.ohl.es).

Nomination and Remuneration Committee (NRC)

Composition at 31 December 2020:

Chairman
Reyes Calderón Cuadrado (independent)

Directors
Juan Antonio Santamera Sánchez (other non-executive)
Juan José Nieto Bueso (independent)
Juan Villar-Mir de Fuentes (proprietary)
Luis Fernando Martín Amodio Herrera

Main business transacted by the NRC in 2020:

- Analysed the composition and size of the Board of Directors in accordance with good governance recommendations.
- Reported on and proposed the re-election and appointment of proprietary directors to the Board of Directors, considering that they met the profile and skills required to discharge their office, assessing and reporting favourably on their suitability.
- Analysed and reported to the Board of Directors the CEO's variable and extraordinary remuneration, assessing, where applicable, compliance with objectives and criteria.
- Analysed and reported to the Board of Directors the proposed variable remuneration of the OHL Group's senior executives.
- Analysed, developed and implemented the senior executive long-term incentive plan, providing a favourable report to the Board of Directors on the suspension thereof in 2020.
- In relation to the remuneration of directors and senior executives, based on the economic circumstances in 2020, it proposed to the Board of Directors the suspension of the long-term incentive plan approved in 2019 for the entire executive team.
- Analysed and reported to the Board of Directors the proposed variable remuneration of the senior executives.
- Provided a favourable report to the Board of Directors on the Board of Directors Remuneration Report for 2019, verifying that the remuneration policy in force was applied correctly.
- Provided a favourable report to the Board of Directors on the proposal to amend the directors' remuneration policy subsequently approved by the Annual General Meeting held on 15 June 2020.
- Analysed and reported the amount and nature of the related-party transactions performed in the year in accordance with Group regulations.
- Analysed the terms and conditions agreed upon with the Villar Mir Group for the repayment of its debt, following the examination of reports and fairness opinions on the terms and conditions of the agreement, submitting to the Board its report on the reasonableness, advisability and appropriateness of the transaction, also based on the circumstances of both the Company and the debtor.
- Provided a favourable report to the Board of Directors on a new Group organisational chart.
- Provided a favourable report on the proposed appointment of the Corporate General Manager, proposing to the Board of Directors the basic terms and conditions of the hire.
- Provided a favourable report on the termination of the contracts of senior executives and the economic conditions of the settlement thereof.
- Analysed the information on sustainability (non-financial information statement) and provided a favourable report thereon to the Board of Directors for its approval and authorisation for issue in the framework of the Group's integrated annual report.
- Performed the annual self-assessment of the Committee.
- Approved its Annual Report.

Further information in the Annual Corporate Governance Report (ACGR) for 2020.

Incompatibilities and conflicts of interest (Regulations of the Board of Directors)

OHL's Regulations of the Board of Directors regulate situations of incompatibility and conflicts of interest of its directors. They also address, in detail, those situations in which, due to the existence of a possible conflict of interests, the director must inform the Board of Directors of any situation of direct or indirect conflict that they may have with the interests of the Company; and they must refrain from attending and intervening in deliberations and voting that affect matters related to the conflict.

The Company has a specific rule that, implementing the provisions of the Regulations of the Board of Directors and approved by the Board of Directors, reinforces and details the procedures and controls of transactions that the company or any of the OHL companies wish to carry out with the directors, with the significant shareholders or with persons related to them.

The transactions affected by this procedure are all transfers of resources, services, rights and obligations, regardless of whether or not there is any consideration, made by any of the persons referred to in the previous section, with the Company or with any OHL company.

Neither the directors nor the executives of the Company reported any incompatibility or conflict of interest in 2020. The Company reports in the financial statements and the Corporate Governance Report the significant related party transactions performed by it or by OHL companies with significant shareholders, directors, executives or parties related to them.

Further information in the financial statements and Annual Corporate Governance Report (ACGR) for 2020.

MANAGEMENT COMMITTEE

Chairman
José Antonio Fernández Gallar
Second Deputy Chairman and CEO

Directors
Manuel Álvarez Muñoz
General Manager of the Infrastructure, Industrial and Services areas

José Antonio de Cachavera Sánchez
General Manager of Services

José María del Cuvillo Pemán
General Manager of the Legal Department

José María López de Fuentes
General Manager of Concessions

Ashok Patel
General Manager for North America

José Emilio Pont Pérez
General Manager for Europe and Latin America

Tomás José Ruiz González
Corporate General Manager

José María Sagardoy Llonis
General Economic and Financial Manager

Gonzalo Targhetta Reina
General Manager of Corporate Resources

Diversity of the Board

DIVERSITY POLICY APPLIED IN CONNECTION WITH THE BOARD OF DIRECTORS

In 2020 the Company was guided by the Director Selection Policy approved in 2017. This policy ensures that proposals for the appointment or re-election of members of the Board of Directors are based on a prior analysis of the Board's needs and, in turn, promote diversity of knowledge, experience and gender.

This policy also defines the mechanisms required to avoid certain biases that deliberately hinder the election of women as potential directors.

In 2020 Silvia Villar-Mir was re-elected as proprietary director. Since 2018 the Company has maintained the same number of women on the Board of Directors as in previous years, with women representing over 30% of the total of ten Board members, a target that was set for 2020 by the good governance recommendations, which demonstrates the Company’s commitment to gender diversity, in the composition of both its Board and its committees.

Also, the Board of Directors includes directors of various ages and nationalities, all of whom have the training, experience and skills required to discharge their office and have technical knowledge, particularly in the areas of construction, infrastructure, finance and accounting.

Ethics and compliance

In 2020 OHL renewed its ISO 37001 (Anti-Bribery Management Systems) and UNE 1961 (Criminal Risk Compliance Management System) certifications, based on the Crime Prevention Model which was updated in 2019.

OHL builds its commitment to good business practices around its Code of Ethics, in force since 2010 and arising from the Code of Conduct launched in 2002, its Anti-Corruption Policy and its Crime Prevention Policy. All the foregoing entails compliance with the applicable criminal legislation and anti-corruption regulations.

Also, the Company is a signatory of the UN Global Compact and, accordingly, is committed to working against corruption and to following the recommendations of international bodies such as the OECD and the good corporate governance practices published by the CNMV.

Code of Ethics

The Code of Ethics, approved by the Board of Directors in 2010 and revised in 2012 and 2015, is an express declaration of the values, principles and behavioural guidelines, in order to:

- Develop the models and guidelines for professional, ethical and responsible behaviour that should guide all the people who make up OHL in the performance of their work.
- Prevent the commission of criminal acts and any unlawful behaviour by the persons bound by this Code in the performance of their professional activity.
- Establish the monitoring and control mechanisms necessary to guarantee compliance with it.

Also, the Code of Ethics constitutes one of the cornerstones of corporate social responsibility management and is the channel for the development of its corporate values, which are:

- Professional ethics, integrity, honesty, loyalty, efficiency and responsibility vis-à-vis stakeholders, in all the actions of the Company, while at all times fully complying with the law in force.
- 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, checked and complete.
- Creation of value with a quest for profitability and sustainable growth.
- Constant promotion of quality, innovation, safety and respect for the environment.

ANTI-CORRUPTION POLICY

OHL has an Anti-Corruption Policy, approved by the Board of Directors in June 2015 and reviewed in July 2019, which reflects the Company's position of zero tolerance for any form of bribery or corruption, in both the public and private sectors.

In October 2019 OHL strengthened its commitment to zero tolerance of corruption with the obtainment of the ISO 37001 certification. In 2020 this certification, aligned with the Company's integrity and transparency policies, was renewed by AENOR and was extended, as well as to OHL, to eleven of its subsidiaries following a comprehensive audit of the measures implemented to prevent, detect and combat practices relating to bribery and corruption.

Through this benchmark international accreditation, OHL provides guarantees to its investors, shareholders, employees and other stakeholders in relation to the effective implementation of mechanisms to prevent and detect this type of unlawful conduct which is completely unacceptable to the Company.

CRIME PREVENTION POLICY

Over the course of 2019, OHL updated its 2016 Crime Prevention Model to adapt it to the organisational changes that had taken place, resulting in a Crime Prevention System which enables the criminal risks to which OHL is exposed, due to the particular characteristics of its structure and business, to be mitigated. The update took into account the criminal risks to which the Company is exposed due to the nature of its activities, as well as regulatory requirements and best practices in the area of compliance.

Also, in November 2019 the Company's Board of Directors approved the Crime Prevention Policy and Manual, which replaced the 2016 Crime Prevention Model Handbook.

Following this review and adaptation, OHL comprehensively audited this system and, in December 2019, the Company and ten of its subsidiaries obtained UNE 19601 certification awarded by AENOR, which was renewed in 2020 and included an additional company. This certification guarantees that the organisation has a model aligned with the requirements of the Spanish Criminal Code and with international compliance standards, thereby helping to create an organisational culture that is sensitive to crime prevention and opposes the bad practices that can give rise to unlawful conduct.

COMMUNICATION AND TRAINING

All OHL employees must know and accept the Code of Ethics, Anti-Corruption Policy and Crime Prevention Policy and, accordingly, an additional clause is included in the employment contract of new hires.

In 2020 specific training was given on the Code of Ethics and the Anti-Corruption Policy, and to date a total of 3,729 people have received training globally, through the course given over the online platform.

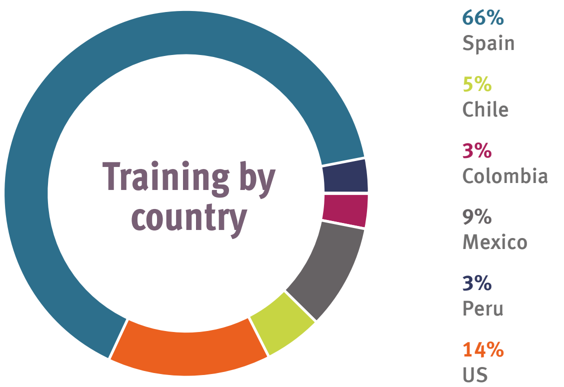
In addition, a total of 1,605 people received Criminal Risk Prevention System training in 2020.

Ethical Communications Channel

The Ethical Communications Channel is available to all the people that form part of OHL, as well as to the stakeholders that wish to make any consultation or communicate in good faith professional conduct that may involve, by action or omission, irregularities, breaches or acts contrary to the rules and principles set forth in the Code of Ethics or to all the other rules and procedures making up the Company's 's internal regulatory system or to law.

The Audit and Compliance Committee guarantees the proper management of the communications made and ensures that they will be treated with complete confidentiality and in accordance with the internal procedure that regulate its modus operandi. OHL allows complaints to be submitted anonymously and, in order for such complaints to be deemed eligible for processing, sufficient evidence of the reported facts must be furnished so that the investigation can focus on specific facts. Also, it is responsible for implementing such disciplinary, enforcement and legal actions as might be required until such time as they have been resolved.

In 2020 a total of 51 communications regarding potential breaches of the Code of Ethics were received (as well as various other consultations), 42 of which were made through the Ethical Communications Channel and the other 9 of which were made through other channels. A total of 29 complaints were admitted to processing and another 22 were



dismissed because they did not represent any violation of the Code of Ethics.

All of the complaints admitted to processing were duly investigated and the consultations were answered, in line with the established internal procedures, and 13 complaints were being investigated at the end of the year.

29%
Latin America

25%
Mexico

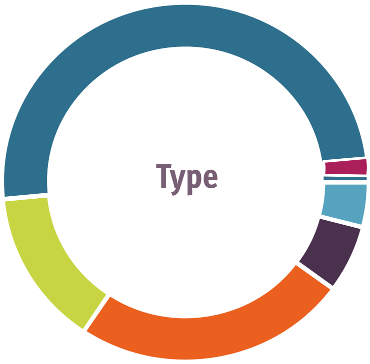
18%
Spain

12%
US and Canada

8%
Europe (excluding Spain)

4%
Asia y Oceania

4%
Middle East



51%
Breach of employee rights

24%
Other actions not included in the foregoing categories

14%
Irregularities relating to suppliers or subcontractors

6%
Conflicts of interest

4%
Misappropriation or misuse of resources

2%
Accounting, audit or tax matters

43%
Dismissed

25%
Admited to processing and under investigation

22%
Admited processing and no action taken

10%
Admited processing, closed and action taken

82%
Ethic chanel website

18%
Other channels of communication

Blue Lagoon Garage, Miami US

05
Risk management

Metro-North Railroad, infrastructure improvements, New York, US

Risk management model: Triple Line of Defence

OHL's Internal Control System, following international best practices, is based on combined assurance centred on "three lines of defence", through an integrated vision. The aim of this model is to increase the effectiveness of the internal management and control models to mitigate the entity's significant risks.

FIRST LINE OF DEFENCE. OPERATIONS MANAGEMENT

OHL's management team and professionals directly manage the entity's risks. Company management is responsible for maintaining effective control aligned with the objectives and strategy, which acts on risks efficiently and continuously, and for implementing and maintaining best practices.

SECOND LINE OF DEFENCE. ASSURANCE FUNCTIONS

The Risks and Compliance functions facilitate the application, as a second line of defence, of the basic elements that form the foundations of the Company's internal control system, specifically in relation to risk management and external and internal regulatory compliance, proposing to the Board of Directors sufficient models, systems and methodology and supervising how the first line of defence executes them and the related internal controls.

The Compliance Management functions are as follows:

- Identify legal risks, especially those that stem from the criminal liability of legal persons or entail reputational risks.
- Promote the implementation of the processes necessary to avoid legal breaches related to criminal or reputational risks, and limit, to the extent possible, the cases of criminal liability at the Company, thereby actively contributing to preventing and stopping criminal activity.
- Promote a clear organisational culture, shared by all Company employees at all levels, which avoids conduct liable to trigger any criminal liability on the part of its executives and directors.
- Establish, in an objective and demonstrable manner, the control and supervisory measures aimed at avoiding the aforementioned conduct by employees, at all levels, and propose the disciplinary measures that would be implemented if such conduct were to take place.
- Supervise the existence of a set of rules, policies and procedures that reasonably guarantee the reliability of the financial information, and compliance with the laws, regulations and policies that apply to the Company.
- Periodically inform the secretary of the Board of Directors and the Audit and Compliance Committee of the performance of the Annual Action Plan with regard to its management.
- Establish measures for the prevention of criminal acts in the following areas:
  - Anti-corruption: crimes of private corruption, bribery and corruption in international commercial transactions.
  - Cybercrimes: hacking crimes, disclosure of trade secrets and similar offences.
  - Control during the preparation of financial information: investor fraud crimes.

  - -Market abuse and share price manipulation.
  - -Non-compliance with the Spanish Personal Data Protection Organic Law (LOPD) and the privacy protection regulations.
  - -Money-laundering.
  - -Fraud to obtain subsidies and government aid.
  - -Crimes against natural resources and the environment.
  - -Workplace harassment.
- Enforce the Code of Ethics and propose the review thereof to adapt it to any amendments made to the legal framework prevailing at any given time, ensuring the dissemination and awareness thereof at the Company.
- Propose the approval of the internal regulations implementing the Code of Ethics, which include a disciplinary system for breaches thereof.
- Process the complaints received through the Ethics Channel.
- Promote and oversee the training activities regarding the Code of Ethics.

The main actions performed in 2020 are detailed in the Ethics and Compliance section of this report.

The main functions of the Risk and Internal Control Department established in the OHL Functions Handbook are as follows:

- Coordinate, guide and support the strategic, operational, organisational and regulatory actions concerning risk management across the entire Group.
- Establish the methodologies and tools for preparing the Risk Map and identify and prompt warnings regarding changes in the likelihood and/or impacts of the identified risks.
- Lead the process of identifying and analysing risks that may occur during the performance of OHL's activities, through the preparation and periodic updating of the Risk Map.
- Prepare, document and maintain the Internal Control System, compliance with which by the various OHL business areas ensures that the operational and financial reporting risks are mitigated.
- Identify and communicate the internal control deficiencies detected

Additional information on the risks arising in 2020 and OHL's risk management can be found in section E.5 of the Annual Corporate Governance Report.

THIRD LINE OF DEFENCE. INTERNAL AUDIT

The Internal Audit Department is an independent, non-executive and objective assurance, internal control and consultation service that is responsible for providing support to the organisation in the effective fulfilment of its responsibilities and objectives. It is subject to the policies established by the Company's Board of Directors through its Audit and Compliance Committee, and its main functions most notably include:

- To review the veracity, reliability and completeness of the financial and operating records and information.
- To report on the proper performance of processes and the efficient use of resources.
- To verify the reliability of the risk management and internal control systems and the quality of the information.

- To review the system of Internal Control over Financial Reporting (ICFR).
- To verify the existence and status of assets and their protection.
- To evaluate the degree of compliance with internal and external rules and procedures.
- To identify deficiencies in internal regulations and propose the implementation of and amendments to existing regulations in order to improve operations.
- To make recommendations to help correct the anomalies detected and monitor their implementation.
- To keep an inventory of fraud risks and the associated controls, and test the effectiveness of those controls on a rotating basis.
- To investigate irregularities reported in the Ethics Channel or detected in the working environment.
- To participate as a guest on various committees

The Audit and Compliance Committee reviews all the reports it issues and they are presented at its monthly meetings.

In 2020 audits were carried out in all OHL's divisions and in most of the countries in which operates. The scope of those audits encompasses mainly the following:

- Construction work and industrial projects.
- Obtainment of indicators and alerts on specific parameters.
- Treasury reporting processes.
- Data quality (relevant management data).
- Working capital management processes.
- Anti-bribery management systems.
- Crime prevention system.
- System of Internal Control over Financial Reporting (ICFR).
- Dissemination and awareness of the Code of Ethics.
- Anti-Money Laundering System.
- Off-site purchases.
- Contracts with disadvantaged minorities (DBEs) in the US.

Asimismo, la Dirección de Auditoría Interna cuenta con una unidad especializada en Also, the Internal Audit Department has a specialised unit for preventing and investigating fraud, through which continuous actions were carried out in 2020. Verification of compliance with human rights policies also continued.

For the most significant recommendations and corrective measures, monthly monitoring activities are performed with the members of the Management Committee and in the Annual Internal Audit Report submitted to the Audit and Compliance Committee.

With respect to non-financial information, OHL plans to perform a review of the internal control over such information in 2021 in order to continue to improve the quality of the non-financial information.

Risk map

OHL's activities are constrained both by specific factors that affect the Company due to factors common to the other companies of its industry and other factors of global uncertainty that can affect any company.

2020 was shaped by the covid-19 pandemic, which affected all of OHL's markets at global level and also transversally affected the Company's activities and the resulting risks.

The risks identified as priorities in 2020 that could affect the achievement of OHL's objectives were as follows:

- **Liquidity risk and access to financial markets:** the ability to meet payment obligations or the difficulty in securing guarantees or the necessary financing at the appropriate time and at a reasonable cost.

  Note 4.2 Risk Policy to the Group's consolidated financial statements describes the measures that OHL has taken to mitigate this risk.

- **Risk of measurement of assets and liabilities in the statement of financial position:** understood to be a reduction in the value of the assets or an increase in the value of the liabilities.

  The Group studied and assessed the assumptions of the economic models of its main assets.

  Note E.5 to the Company's Annual Corporate Governance Report describes the measures that OHL has taken to mitigate this risk.

- **Occupational risk:** understood to be the ability to meet project needs with the human resources necessary, accurately and at the appropriate time.

  OHL's policy in personnel management and talent recruitment/retention is a priority in order to continue to guarantee the best possible qualification of its professionals. In 2020 these matters were also influenced by the health crisis and the management thereof, taking into account the restrictions imposed in each geographical area, such as mobility restrictions, as well as the prevention measures established at the workplaces. In this regard, specific training and talent management programmes continue to be developed.

- **Reputational risk:** the potential negative impact on OHL's public image and how it is perceived in the marketplace. This risk refers particularly to the organisation's loss of financial solvency and technical, operational, ethical, social and environmental credibility as regards its stakeholders.

  OHL has rules, processes and tools for assessing third parties that allow it to evaluate them from the standpoints of their external and internal behaviour, social and environmental responsibility, and their financial and technical performance. This allows it to identify whether or not they are on sanctions lists, thereby giving visibility to the third party before sealing contractual commitments with them.

  In addition, OHL has a Code of Ethics that must be complied with by everyone in the organisation, with the corresponding Whistleblowing Channel. The Company has a firm commitment to zero tolerance of corruption. In this connection, OHL and several Group companies are ISO 37001 (Anti-Bribery Management Systems) and Spanish UNE 19601 (Spanish UNE 19601 Standard on Criminal Compliance Systems) certified. In 2020 the Compliance System was integrated into the OHL Group's Internal Control IT tool.

- **Project management risk.** This risk is defined as the customer's potential failure to comply with contractual obligations, e.g., the potential delay or lack of recognition of the work performed or the restoration of economic feasibility. To mitigate this risk, it is OHL's priority that the projects be permanently monitored, from the technical and economic standpoints, and that their status be analysed, in order to be able to adopt the necessary measures to correct any variance.

- **Contracting risk.** This is the risk associated with not identifying market opportunities in time or, after identifying an opportunity, the risk associated with inadequately defining the bid due to a lack of resources or a lack of qualifications.

OHL continues to strengthen the bidding process in order to ensure that its bids are aligned, in order to ensure profitability and generate cash.

- ▸ It continues to strengthen contracting processes.

- ▸ Integration of risk management in decisions on bids.

- ▸ The Contracting Committee continues to analyse and approve/reject bids of a significant amount or carrying significant risk that OHL may submit in any geographical area, with the technical, economic, due diligence and contractual documentation. This Committee is composed of top Company executives.

- **Risk stemming from the management of litigation and arbitration.** The risk that the litigation or arbitration due to discrepancies with customers are resolved against OHL's interests.

  OHL continuously monitors its litigation and arbitration to defend its rights. Also, it continues to work on strengthening the contractual management of projects to mitigate the consequences of these situations and forestall them.

Other relevant risks that might affect the achievement of the Company's objectives relate to the global and inherent threats to the markets in which it operates. They include most notably:

- **Market and environment risk.** A large portion of the value creation activities that OHL performs depends on the public sector, either as a customer of public works or infrastructure maintenance services or as grantor of infrastructure concessions. Accordingly, political instability and the changes to the legal and regulatory environment in the countries in which OHL operates can have significant impacts on the ability of the Company to achieve its business objectives.

  OHL focuses its business on North America, Latin America and Europe, geographical areas that are considered stable and in which the Company has a presence and permanent teams that allow the adoption of mitigating measures in the event that the aforementioned risks occur. Also, the Company's permanent presence in these markets enables the risk of barriers to entry to be classified as overcome.

- **Foreign currency and local currency devaluation risk.** This risk is defined as the unfavourable evolution of the exchange rate price of two currencies, over a specific period with effects on the statement of profit or loss. It also considers the risk of the loss of the local currency's purchasing power.

  Note 4.2 Risk Policy to the Group's consolidated financial statements describes the measures that OHL has taken to mitigate this risk.

- **Risk of climate change and natural disasters.** Both for the countries in which the bulk of its activity is carried out and due to the very nature of its activities, OHL is subject to the risk of interruption of its business activities as a result of natural disasters such as earthquakes, hurricanes, floods and extreme weather events.

  To this end, the Company has an environmental management strategy committed to 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 in order to protect itself from natural disasters, OHL has the necessary insurance coverage, contractual management communications with customers and local presence in the various countries in which the it operates.

In this regard, in 2021 OHL plans to analyse the risks and opportunities relating to climate change in order to promote a transition towards a low-carbon economy, in line with the indications of the Task Force on Climate-Related Financial Disclosures. This will enable OHL to keep progressing in the measurement and management of risks relating to climate change

- **Cybersecurity risk.** OHL, like other companies, faces the risk of being adversely affected by cyberattacks which could cause damage to its assets and systems, interrupt operations or trigger leaks of sensitive information.

  OHL has professionals responsible for maintaining cybersecurity and procedures for restoring information and the most critical systems. As far as information is concerned, the Company has a personal data privacy policy and complies with data protection standards. Awareness-raising and training activities are carried out, and there are procedures for managing security risks, managing vulnerabilities in computer systems and responding to security incidents.

- **Occupational risks.** Inadequate management and prevention of risks that may lead to occupational accidents.

  OHL has had to adopt urgent measures in the framework of a global health crisis, and its management has focused on ensuring the safety of all Company employees by adopting preventive measures at all its workplaces and encouraging remote working.

  Within the framework of its policies, OHL underscores the prevention of occupational risks as a priority, and maintains the Integrated Management System (IMS) that complies with ISO standard ISO 45001 on Occupational Health and Safety Management Systems.

- **Risks relating to breaches of human rights.** These risks affect workers, suppliers and members of the community, and may arise as result of the construction work and projects carried out by OHL.

  The Company has internal regulations such as the Human Rights Policy and the Code of Ethics. The Code of Ethics can be used to report any breach of human rights by various stakeholders such as employees, suppliers or the local community.

  OHL carries out periodic evaluations of compliance with human rights, both at permanent centres and at construction sites and projects; and Internal Audit Management includes the review of compliance with those rights in its audit plans. Also, training is given to Company employees in this connection.

  With regard to suppliers, accreditation requirements include most notably compliance with the Ten Principles of the Global Compact.

All the risks discussed are the most typical that OHL faces and are common to the various activities it carries on.

The Audit and Compliance Committee promotes the improvement of risk management, a priority for OHL. In this context, in 2020 progress was made in the following lines of action:

- Update of the Risk Map.
- Ongoing update of the Country Risk Model.
- Update of red lines.

- Preventive analysis of OHL risk management with third parties.
- Review of rules and policies.
- Improvement of the Internal Control System.

In 2021 OHL will continue to analyse the risks and opportunities it faces, anticipating the actions necessary to mitigate their impact.

Biology Park Brno.
Czech Republic

06
About this report

Oxxeo building. Spain

This report, which contains the Non-Financial Information Statement, forms part of OHL's Consolidated Directors' Report for 2020 and includes the advances made throughout the year at the Company and in its value chain in the area of sustainability. The aim is to directly and transparently communicate to all OHL's stakeholders the Company's performance, strategy and all relevant matters to generate value, both in the short and long term. The contents of this report are supplemented by other corporate documents as well as information on its website, www.ohl.es.

Scope

The scope of this report is the same as that of the consolidated financial statements, which includes Obrascón Huarte Lain, S.A. and its subsidiaries for 2020.

Preparation methodology

The content of the non-financial and sustainability information was prepared in accordance with the recommendations of the International Integrated Reporting Council and the GRI Standards (Core option), and is in line with the significant matters identified in the materiality analysis and with the reporting requirements of the initiatives to which OHL is signed up. Also, the aforementioned information is provided in accordance with Royal Decree-Law 11/2018, of 28 December, amending the Spanish Commercial Code, the Consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of 2 July, and Spanish Audit Law 22/2015, of 20 July, in the area of non-financial information and diversity.

This report was prepared taking into account the sustainability reporting principles of the GRI standards relating to the determination of the content of the report (stakeholder engagement, sustainability context, materiality, completeness) and quality of information (accuracy, balance, clarity, comparability, reliability and timeliness).

Lastly, this report includes a contents list which indicates the content of the

Non-Financial Information Statement (NFIS), setting out its correlation with the GRI indicators.

Relations with stakeholders and alliances

The Company facilitates constant dialogue and interaction with its main stakeholders, through various channels. In 2020, due to the covid-19 situation, such interaction was adapted to a new environment and was mostly took place online.

The complexity of the current challenges makes connecting and cooperating with our stakeholders essential. For this reason, there must be various channels of dialogue that allow us

to gain an insight into and understand their expectations, in order to work together to overcome those challenges.

Therefore, in the framework of the quality management system, customer satisfaction is analysed, customer claims are handled and other actions are performed, such as face-to-face meetings with senior executives, supplier care channels and interaction projects with local communities.

Also, in a year marked by losses and restrictions that had to be dealt with, OHL made a collective effort to maintain constant daily communication with all of the Company's stakeholders (private and institutional investors, variable and fixed-income analysts, rating agencies, regulators, banks, journalists, customers, etc.). In addition to the foregoing, it made phone presentations and regular video calls to discuss results, deal with topical issues and hold the Annual General Meeting, thus providing attendees with direct communication with the management team.

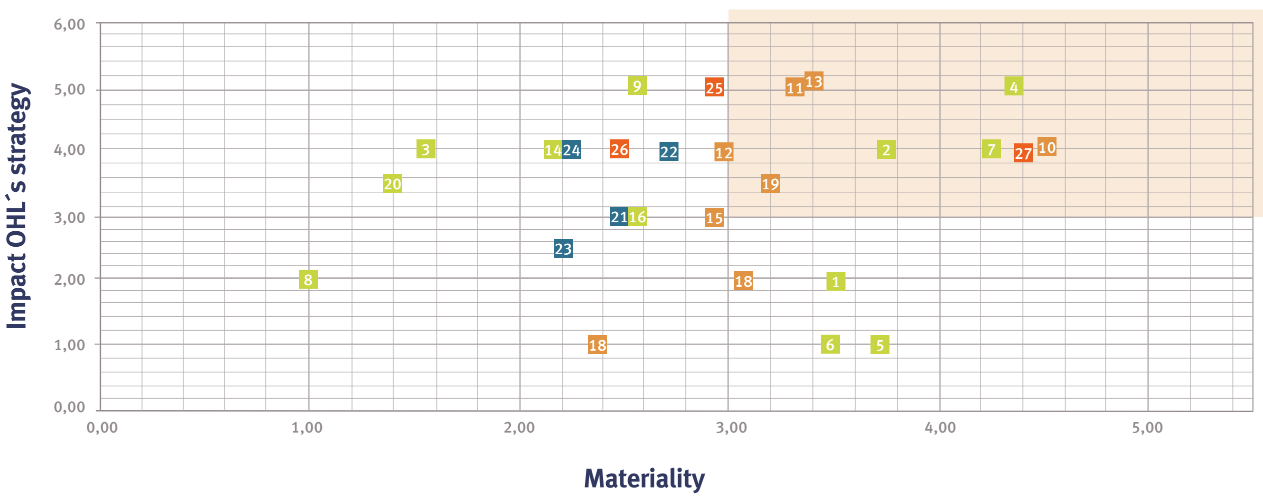
Also, OHL participates in associations related to its business, in order to encourage the exchange of good practices, industry improvement and interaction with other companies and institutions. OHL cooperated with 19 associations in 2020.

Materiality analysis

Although OHL had already conducted an in-depth materiality study in 2019, in which the priority action areas were defined, it was considered advisable to update the materiality analysis in 2020 in order to ascertain the extent to which the expectations of our stakeholders had changed as a result of the pandemic situation.

Specifically, in addition to the internal analysis conducted in 2019 (40 sustainability-related interviews with the management team and 90 surveys of employees from various countries, divisions and professional categories) and the external analysis (26 specific surveys of external stakeholders), an updated report was prepared on the internal perception of material matters in the present situation, which encompassed the latest legislative and regulatory developments in the area of sustainability, including the short-term trends and requirements expected by analysts in this connection (such as the new requirements or best practices relating to tax transparency, equality, climate change, ethics and compliance). This gave rise to the identification of 28 salient matters[9] , based on which a materiality matrix was drawn up, focusing on the following priority matters:

OHL Group Materiality Matrix



9. The "List of material matters" details the 28 salient matters identified in OHL's 2020 materiality analysis.

Based on the principles indicated above in the preparation methodology and materiality analysis, the report presents all the aspects and matters that reflect significant economic, environmental and social impacts for OHL and affect the assessments and decisions that the stakeholders might make with respect to their relationship with the Company.

Verification

Deloitte verified the contents included in this report, following the ISAE 3000 standard with a limited assurance scope.

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Events after the reporting period

The significant events that occurred after 31 December 2020 are detailed in Note 5 to the consolidated financial statements.

Construction of the Hubová - Ivachnová section in D1 toll road. Slovakia

07

Content of the non-financial information statement (NFIS)


Gustavo Frike Hospital. Chile

NFIS tables

Content pursuant to Spanish Law 11/2018 on non-financial information			Standard used	Page of report/of response
BUSINESS MODEL	Description of the Group's business model	Brief description of the Group's business model, including its business environment, organisation and structure, the markets it serves, its objectives and strategies, and the main factors and trends that may affect its future evolution.	GRI 102-2, 102-4, 102-6, 102-7, 102-15	10-14, 20-21, 60, 106-110, 116-120
INFORMATION ON THE ENVIRONMENT	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted.	GRI 103-2, 103-3	89, Quality, Health and Safety, Energy and Environment Policy.
	Main risks	Main risks related to those issues associated with the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term.	GRI 102-11, 102-15, 102-30, 201-2	89, 91-93, 113, 119-120 ACGR E.3
	General	Current and foreseeable effects of the company's activities in relation to the environment and, where applicable, on health and safety	GRI 102-15, 102-29, 102-31	75, 89, 119-120
		Environmental assessment or certification procedures	GRI 102-11, 102-29, 102-30	75, 89-94, 106-110, 119-120
		Resources dedicated to the prevention of environmental risks	GRI 102-29	89-94
		Application of the precautionary principle	GRI 102-11	89-94, 106-110
		Provisions and guarantees for environmental risks	GRI 307-1	At 31 December 2020, the Company had not recognised any environmental assets.
	Pollution	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any form of air pollution specific to an activity, including noise and light pollution	GRI 103-2, 302-4, 305-5, 305-7	89-94, 145-151
	Circular economy and waste prevention and management	Measures for prevention, recycling, reuse, 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	90-91, 145-151

	Sustainable use of resources	Water consumption and water supply according to local constraints	GRI 303-1, 303-3	93, 145-147
		Consumption of raw materials and measures taken to improve the efficiency of their use	GRI 103-2, 301-1, 301-2	89-91, 147-148
		Energy: Consumption, direct and indirect; Measures taken to improve energy efficiency, Use of renewable energies	GRI 103-2, 302-1, 302-3, 302-4	89-93, 145-146
	Climate Change	Greenhouse Gas Emissions	GRI 305-1, 305-2, 305,3, 305-4	91-93, 150-151
		Measures taken to adapt to the consequences of Climate Change	GRI 102-15, 103-2, 305-5	114-117
		Reduction targets voluntarily set in the medium and long term to reduce GHG emissions and measures implemented to that end.	GRI 103-2	114-117
	Protection of biodiversity	Measures taken to preserve or restore biodiversity	GRI 103-2	118-119
		Impacts caused by activities or operations in protected areas	GRI 304-1	118-119
INFORMATION ON SOCIAL AND PERSONNEL ISSUES	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted.	GRI 103-2, 103-3, 102-35	75-82, 102-103 -Report on Directors' Remuneration. -Financial Statements: 4.8. -Code of Ethics -HR Policy
	Main risks	Main risks related to those issues associated with the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term.	GRI 102-15, 102-30	75-82, 108-114, 119-120 ACGR E.3
	Employment	Total number and distribution of employees by gender, age, country and employee category	GRI 102-7, 102-8, 405-1 b)	75, 98-101,138
		Total number and distribution of types of employment contract	GRI 102-8	88-89, 159
		Annual average number of permanent, temporary and part-time contracts by gender, age and employee category	GRI 102-8	88-89, 159
		Number of dismissals by gender, age and employee category	GRI 401-1 b)	160
		Average pay and changes therein broken down by gender, age and employee category or equivalent value	GRI 405-2	91-92, 161-162
		Salary Gap	GRI 405-2	77, 139-141
		Remuneration of equal or average jobs at the company	GRI 202-1	140-141 -Informe de Remuneraciones de los Consejeros - CCAA: 4.8

INFORMATION ON SOCIAL AND PERSONNEL ISSUES		The average remuneration of directors and executives, including variable remuneration, attendance fees, indemnities, payments to long-term savings schemes and any other payments broken down by gender	GRI 102-35, 102-36	162 -Report on Directors' Remuneration -Financial statements: 4.8
		Implementation of disconnection from work measures	GRI 103-2	77, 143-144
		Employees with a disability	GRI 405-1 b)	89-90
	Organisation of work	Organisation of working hours	GRI 102-8 c), 103-2	77-81, 143-144
		Absentee rate	GRI 403-2 a)	159
		Measures aimed at facilitating the enjoyment of work-life balance and promotion of the co-responsible use of those facilities by both parents.	GRI 103-2, 401-3	77, 142-144
	Health and safety	Occupational health and safety conditions	GRI 103-2	83-84
		Occupational accidents (frequency and severity) broken down by gender	GRI 103-2	99-100
		Work-related ill health (frequency and severity) broken down by gender	GRI 403-10	83-84
	Social relationships	Organisation of social dialogue, including procedures for informing, consulting and negotiating with employees	GRI 102-43, 402-1, 403-1	156, 162-163
		Percentage of employees covered by collective bargaining agreements by country	GRI 102-41	163
		Assessment of collective agreements, particularly in the field of occupational health and safety	GRI 403-1, 403-4	97-102
	Training	Training policies	GRI 103-2	93-94
		Total number of hours of training by employee category	GRI 404-1	94
	Accessibility	Universal accessibility for persons with disabilities	GRI 103-2	89
	Equality	Measures taken to promote equal treatment and opportunities for men and women	GRI 103-2	89-90
		Equality plans	GRI 103-2	89-90
		Measures adopted to promote employment	GRI 103-2	76-77
		Protocols against sexual and gender-based harassment	GRI 103-2	108-111, 134
		Universal integration and accessibility for persons with disabilities	GRI 103-2	89-90
		Anti-discrimination and, where applicable, diversity management policy	GRI 103-2, 406-1	89-90, 127-128 Code of Ethics of the OHL Group

INFORMATION ON RESPECT FOR HUMAN RIGHTS	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted.	GRI 103-2, 103-3, 410-1, 412-2	95-96, 164-165
	Main risks	Main risks related to those issues associated with the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term.	GRI 102-15, 102-30	132-139, 141-142
	Human Rights	Application of human rights due diligence procedures	GRI 103-2	95-96, 141-142
		Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage and redress any abuses committed	GRI 103-2, 412-1	95-96, 141-142 OHL Group's Human Rights Policy
		Human rights violation whistleblowing	GRI 102-17, 103-2, 411-1, 419-1	130-131
		Promotion of and compliance with the provisions of the fundamental ILO Conventions relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour.	GRI 103-2	127-129, 162-163
INFORMATION ON FIGHTING CORRUPTION AND BRIBERY	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted.	GRI 103-2, 103-3, 205-2	127-129 -Code of Ethics -Anti-Corruption Policy -Crime Prevention Policy
	Main risks	Main risks related to those issues associated with the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term.	GRI 102-15, 102-30, 205-1	132-139, 141-142
	Corruption and bribery	Measures taken to prevent corruption and bribery	GRI 103-2	127-129, 132-139
		Measures to combat money laundering	GRI 103-2	127-129, 132, 139
		Contributions to foundations and non-profit entities	GRI 103-2, 201-1, 203-2, 415-1	88 The Code of Ethics prohibits any gift, invitation or hospitality to authorities, public officials or individuals that exceeds the criteria set out in the Anti-Corruption Policy.

INFORMATION ON SOCIETY	Policies	Policies applied by the Group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control them, as well as the measures that have been adopted.	GRI 103-2, 103-3	69-70, 105-109 -OHL Group's CSR Policy -OHL Group's Responsible Purchasing Policy -Tax Policy
	Main risks	Main risks related to those issues associated with the Group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have adverse effects in those areas, and how the Group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each issue. This should include information on the impacts that have been identified, giving a breakdown of them, in particular on the main risks in the short, medium and long term.	GRI 102-15, 102-30	108-111, 119-120
	The company's commitment to sustainable development	Impact of the company's activity in relation to employment and local development	GRI 203-1, 203-2, 204-1, 413-1	86-88
		Impact of the company's activity in relation to local populations and territory	GRI 203-1, 203-2, 413-1	86-88
		Relations with local community actors and the avenues of dialogue with them	GRI 102-43, 413-1	86-88, 118-119
		Association or sponsorship actions	GRI 102-13, 201-1, 203-1	140-141, 151
	Subcontractors and suppliers	Inclusion of social, gender equality and environmental issues in procurement policy	GRI 103-3	103-104
		Consideration in relations with suppliers and subcontractors of their social and environmental responsibility	GRI 102-9, 103-3	103-104
		Supervision and audit systems and results thereof	GRI 308-1	103-104, 132-135
	Consumers	Consumer health and safety measures	GRI 103-2, 416-1,	102-103
		Complaint systems, grievances received and resolution	GRI 102-17, 103-2	102-103, 130-131
	Tax information	Profit or loss by country	GRI 201-1	85-86, 109-110 Financial Statements Note 1.3
		Income tax paid	GRI 201-1	85-86, 109-110 Financial Statements Note 3.22
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102-9 Supply chain	8, 103-105
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102-11 Precautionary Principle or approach	110-119, 132-139
102-12 External initiatives	8-9, 69-72, 89, 95, 107-108, 141 -
102-13 Membership of associations	OHL cooperated with the following associations in 2020: 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 of the BuildingSMART association, the Association of Spanish Issuers, Conocimiento y Creatividad S.L.N.E., FORETICA, SEPREM, the Spanish Institute of Internal Auditors, Global Compact Spanish Network, CEOE (Spanish Employers Confederation).
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102-19 Delegating authority	69-70, Regulations of the Board of Directors - Mission of the Board. OHL Group's Sustainability Policy
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102-36 Process for determining remuneration	Report on Directors' Remuneration. Financial Statements: 4.8.- Remuneration of directors and senior executives and conflicts of interest Regulations of the Board of Directors of Obrascón Huarte Lain, S.A. Chapter VIII. Remuneration of the CEO. Remuneration Policy
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103-2 The management approach and its components	16-18, 69-70
103-3 Evaluation of the management approach	69-70, 132-135
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201-2 Financial implications and other risks and opportunities due to climate change	114 -117, 135-139
201-4 Financial assistance received from government	85-86
GRI 202 Market Presence	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The employment terms and conditions of OHL's professionals which are governed by a collective agreement are in accordance with the agreement or in some cases exceed it, so that similar positions have the same remuneration package or a better remuneration package than that established in the agreement.
202-2 Proportion of senior management hired from the local community	92 % of OHL's executives abroad are nationals of the country in which they are hired.
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205-3 Confirmed incidents of corruption and actions taken	130-131 IAGC

GRI 206 Anti-competitive Behavior	
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	The CMNC (Spanish National Markets and Competition Commission) has two cases open in relation to OHL in Spain and INDECOPI (National Institute for the Defense of Free Competition and the Protection of Intellectual Property) has one case open in Peru for anti-competitive behaviour. Further information: Financial Statements Notes 3.20 and 4.6.2.
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GRI 304 Biodiversity	
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103-3 Evaluation of the management approach	69-70, 132-135
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402-1 Minimum notice periods regarding operational changes	There are no minimum notice periods at OHL. In any case, these are given pursuant to the legislation in each country.
403-1 Occupational health and safety management system	82 All of OHL's employees are represented on the Health and Safety Committees.
CRE-6 Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system	82
403-2 Hazard identification, risk assessment, and incident investigation	97-100 In 2020 there were no fatal accidents among OHL's
403-3 Occupational health services.	82-83

403-4 Worker participation, consultation, and communication on occupational health and safety.	98
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403-6 Promotion of worker health	98-102, 163-165
403-8 Workers covered by an occupational health and safety managementsystem	98-102, 163-165
404-1 Average hours of training per year per employee	93-94, 98-99
405-1 Diversity of governance bodies and employees	75-76, 98-101 ACGR.
405-2 Ratio of basic salary and remuneration of women to men	160-162
406-1 Incidents of discrimination and corrective actions taken	OHL states its absolute rejection and zero tolerance of any behaviour or action that constitutes any form of sexual, moral or gender-based harassment and undertakes to cooperate actively, effectively and firmly in order to prevent, detect, correct and punish any such conduct. OHL has a Protocol for Prevention and Action in cases of Harassment that is governed by the principles of speed, confidentiality, transparency, objectivity, impartiality and respect for the privacy and dignity of employees. 130-131 IAGC
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408-1 Operations and suppliers at significant risk for incidents of child labor	81, 85-86, 103-104, 108-111
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	81, 85-86, 103-104, 108-111
410-1 Security personnel trained in human rights policies or procedures	95-96 Security services are outsourced and the information is not available.
411-1 Incidents of violations involving rights of indigenous peoples	OHL did not identify any violations of the rights of indigenous peoples in 2020.
412-1 Operations that have been subject to human rights reviews or impact assessments	95-96
412-2 Employee training on human rights policies or procedures	95-96
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	103-104
413-1 Operations with local community engagement, impact assessments, and development programs.	105-109
414-1 New suppliers that were screened using social criteria	103-105
415-1 Political contributions	The Code of Ethics prohibits contributions to political parties.
416-1 Assessment of the health and safety impacts of product and service categories	70, 102-103
CRE-8 Type and number of sustainability certifications, rating and labeling schemes for new construction, management, occupation and redevelopment.	111
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No significant complaints or economic penalties have been received in this connection.
419-1 Non-compliance with laws and regulations in the social and economic area	Consolidated Financial Statements

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Appendices

National Museum of Archaeology (MUNA). Peru

Other HR aggregates

Distribution of the workforce by geographical area and type of contract

	Permanent	Temporary	Total
Spain	7,937	3,285	11,222
North America	971	942	1,913
Latin America	3,566	1,965	5,531
Europe	1,395	250	1,645
Other	64	50	114
Total	**13,933**	**6,492**	**20,425**

Contribution to the maintenance of indirect employment[10]

	No. of companies	No. of workers
Construction	1,176	7,090
Industrial	23	186
Other activities	5	8
Services	880	3,417
Total	**2,084**	**10,701**

Employee turnover and new employee hires

	Men	Women	Total 2020	Total 2019
Total departures	6,571	7,161	13,732	13,630
Total new hires	6,251	8,871	15,122	13,667

Turnover rate[11]: 67.2%. In the case of the OHL Group in Spain excluding Services: 24.9%

Average age: 45.2 years old
Average length of service: 5.6 years

Local executives and managers: 92%

10. The induced employment corresponds to 100% of the estimated workforce of the subcontractors without weighting the volume of transactions with OHL.
11. Turnover rate influenced by the seasonality of certain activities such as Services, and changes in the workforce at international level (particularly in relation to manual workers). In calculating the turnover rate, the voluntary departures, death-related terminations, dismissals, departures due to disability, retirements, departures on termination of contract and voluntary departures were taken into account.

Number of absentee hours[12]

Men	Women	Total
1,607,665.4	2,034,942.7	3,642,608.1

Parental leave

	Men	Women	Total
Employees who took parental leave	179	146	325
Employees who kept their jobs at the end of their parental leave	144	97	241
Rate of return	80%	66%	74%

Terminations by category, age and gender

	Total
Senior executives	0
Managers	3
Middle management	75
Line personnel	310
Clerical staff	237
Manual workers	2,206
Total 2020	**2,831**

M: Men / W: Women.

<30		30-45		46-55		>56			
M	W	M	W	M	W	M	W	Total 2020	Total 2019
388	48	1,050	298	557	116	360	14	2,831	2,646

M: Men / W: Women.

Wage gap by professional group and bussiness unit[13]

	OHL	Servicios
Senior managers	23.3%	24.0%
Middle management and line personnel	36.0%	22.1%
Clerical staff and manual workers	25.9%	11.3% [14]
Total[15]	**29.7%**	**18.3%**

Wage gap calculated according to the following formula: "(Average remuneration for men - average remuneration for women) / Average remuneration for men", where a percentage greater than zero represents the percentage by which the average remuneration for women is lower than the average remuneration for men. The calculation of the wage gap includes fixed, variable and in-kind remuneration.

12. For the calculation of absenteeism, the following were taken into account: strikes, absences, temporary disability and paid and unpaid leave. The data of the Services division in Spain were included in the reporting scope in 2020.
13. Including the information relating to the entire OHL Group except for the Services.
14. Due to the launch at the end of the year of a new HR data management system at global level, the request for information on the remuneration of "Clerical staff and Manual workers" in the Services area does not currently enable such information to be adequately consolidated. This caused certain adjustments and estimates to be made and, as a result, in certain cases the salary for this category was equated to the minimum wage of each of the countries of origin.
15. Including the average remuneration of senior executives.

Average remuneration by gender, age and professional group[16]

Average remuneration at OHL[13] in 2020 by gender, age and professional group

	Under 30 years old		30-45 years old		46-55 years old		Over 55 years old		TOTAL	
Professional group	M	W	M	W	M	W	M	W	M	W
Senior manager[17]	236,178	157,554	263,356	80,891	633,961	-	386,538	132,000	386.538	132.000
Middle management and 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 / W: Women.

Average remuneration at OHL[13] in 2019 by gender, age and professional group

	Under 30 years old		30-45 years old		46-55 years old		Over 55 years old		TOTAL	
Professional group	M	W	M	W	M	W	M	W	M	W
Senior managers[18]	125,000	-	127,976	96,551	160,208	164,164	228,259	28,436	166,362	110,505
Middle management and line personnel	41,995	33,222	47,168	39,922	57,889	46,324	66,176	43,035	52,411	40,100
Clerical staff and manual workers	23,804	25,519	25,473	23,075	33,543	24,904	31,475	24,602	28,251	24,199

M: Men / W: Women.

Average remuneration in the Services area in 2020 by gender, age and professional group

	Under 30 years old		30-45 years old		46-55 years old		Over 55 years old		Total	
Professional group	M	W	M	W	M	W	M	W	M	W
Senior managers[16]	-	-	174,427	113,915	120,367	-	92,559	130,401	160,834	122,158
Middle management and 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 workerss[19]	12,372	11,903	18,229	15,025	15,530	15,655	16,951	13,757	16,419	14,563

H: Hombre / M: Mujer.

16. Including fixed, variable and in-kind remuneration. The calculations of the average remuneration were performed after application of the exchange rate for translation to euros.
17. The average remuneration of the "Senior Managers" professional group includes that of senior and other executives. The senior managers/managers category has been eliminated.
18. The average remuneration of the "Senior Managers" professional group includes that of senior executives, executives and senior managers/managers.
19. Due to the launch at the end of the year of a new HR data management system at global level, the request for information on the remuneration of "Clerical staff and Manual workers" in the Services area does not currently enable such information to be adequately consolidated. This caused certain adjustments and estimates to be made and, a result, in certain cases the salary for this category was equated to the minimum wage of each of the countries of origin for 2020 (the "Manual worker" category is the lowest professional category on the remuneration scale). OHL is aware of the importance of ensuring the adequate quality of the data and in the coming years will work on improving its information systems.

Average remuneration in the Services area in 2019 by gender, age and professional group

	Under 30 years old		30-45 years old		46-55 years old		Over 55 years old		Total	
Professional group	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**	**M**	**W**
Senior managers [17]	-	-	111,376	106,600	212,977	106,600	88,728	-	121,903	106,600
Middle management and line personnel	16,230	18,041	30,195	28,107	32,914	30,017	6,446	-	28,566	27,772
Clerical staff and manual workers	12,821	13,093	16,812	14,866	16,931	16,134	14,227	17,926	15,791	16,098

M: Men / W: Women.

Average senior executive remuneration broken down by gender

	2020		2019	
	Men	**Women**	**Men**	**Women**
Average remuneration of senior executives (thousands of euros) [20]	1,079	-	1,228	-

	2020		2019	
	Hombre	**Mujer**	**Hombre**	**Mujer**
Average remuneration of directors (thousands of euros) [21]	98	139	131	133

20. The data considered for the calculation include the fixed, variable and in-kind remuneration and other payments of the members of Senior Management, including the remuneration of the CEO for his executive duties.
21.The data considered for the calculation include the ordinary and extraordinary remuneration earned by the non-executive directors.

Information on freedom of association and collective bargaining

INFORMATION ON FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

OHL is committed to respect for freedom of association and the right to collective bargaining. Also to non-discrimination, the protection of all workers regardless of condition or gender, and for decent conditions in employment in its broadest sense, which applies to the welfare of all its workers.

OHL participates in the framework agreement with various international trade union federations, advocating absolute respect for human rights and public freedoms. OHL workers are under the protection of the law, with absolute respect for national legislation and the collective agreements that apply to them. The Company also participates in the negotiation committees for these collective agreements. In the countries in which it operates OHL works in accordance with the industry regulations in force. If such regulations do not exist, it negotiates the conditions applicable to each workplace with the legal representatives of the workers. The type of industry agreements signed depends on the type of activity involved. Of particular note are the collective agreements for the construction industry, the iron and steel and metalworking industry, gardening, street cleaning, cleaning of buildings and premises, car parks and garages, engineering companies and technical studios and consulting companies, and public opinion market surveys. Social dialogue is managed through discussions with trade union representatives and workers' legal representatives, with whom periodic meetings are held. Independently, the Company's HR Department can be contacted directly by them. The channels used to inform employees are: corporate intranet, bulletin boards in workplaces, communications or e-mails, the corporate newsletter and through the workers' legal representatives.

Table of employees covered by collective agreements

Country	Total 2020	Total 2019
Spain	11,178	9,537
Chile	2,016	1,230
Peru	492	836
US	643	787
Norway	35	30
Czech Republic	1,169	1,136
TOTAL	**15,533**	**13,556**
%	**76**	**72**

Social benefits of the human team, work-life balance measures and disconnection from work measures

SOCIAL BENEFITS OF THE HUMAN TEAM

In order to offer employees a total remuneration package that allows the Company to enhance its ability to attract and retain talent, the OHL remuneration package includes, in addition to monetary remuneration (fixed and variable), other remuneration in the form of social benefits or remuneration in kind that will be applied, in each of the countries where the Company operates, depending on market practices. Thus, this concept may include the delivery of products or services such as (i) life and accident insurance, (ii) meal vouchers, (iii) childcare expenses, (iv) health insurance, (v) transport aid, (vi) company car, (vii) social welfare systems or mechanisms that implement pension obligations, (viii) economic aid or (ix) other fringe benefits. In those countries where social benefits or remuneration in kind are applied, such application is equal to both full-time and part-time employees, regardless of the type of contract.

Digital disconnection and work-life balance measures

In 2019 OHL published its Working hours and digital disconnection policy. The aim of this policy is to maintain productivity levels, while promoting the work-life balance, taking into account the new realities regarding the diversity of the various working environments, mobility outside the workplace and the right to disconnect from work, all in strict compliance with the employment legislation of each geographical area in which the Company operates. In this context, the Company advocates flexibility, provided that the legal, organisational and productive circumstances allow it, with the local HR managers being responsible for establishing procedures that are in line with both employment legislation and local customs and practices. Furthermore, in order to respect the right to rest and striking a balance between professional and personal life, OHL is committed to digital disconnection to guarantee employees' rest time and holidays, as well as the personal and family privacy of the entire workforce, limiting the use of tools and technologies provided by OHL outside the actual working day and restricting their use only and exclusively to objectively urgent reasons or according to criteria of responsibility.

PERSONAL, FAMILY AND WORK BALANCE MEASURES[22]

Flexible working hours: At certain OHL offices there is flexibility in terms of times of arrival at and departure from the workplace. There is also flexibility during holiday periods and online training and videoconferencing is encouraged.

Support for the personal/family environment:

- The Employee Assistance Programme (PAE) is a programme available to employees to help them in certain personal circumstances. Advice is offered in private-life situations (partner, children, the elderly, etc.) that require the assistance of expert professionals in each case.

- Family Plan to support employees' children with disabilities through which the Company helps young people with disabilities to enhance their social and work integration and improve their quality of life.

22. The measures indicated are applicable to various Group companies and specific groups of employees, and are not applicable to all of the Company’s workforce.

- The "Por ser de OHL" portal, which includes a wide variety of offers, discounts and promotions from which the Company's human team can benefit.
- Family days: Employees' children visit their parents' workplaces.
- Wage supplements for people with officially recognised disabilities and for those employees who have children with disabilities

MEDIDAS PARA FAVORECER LA CALIDAD DE VIDA DE LAS PERSONAS TRABAJADORAS

Canal Salud: a community for the dissemination of health initiatives and programmes offered on the corporate intranet. In 2020 various communications were issued on the following topics: glaucoma prevention; natural remedies for colds; tips for seasonal flu; melanomas; sunbathing precautions; world no smoking day; world asthma day; world sleep day; tips for safe travel; Mediterranean diet; headphone precautions; and cardiology.

Periodic health surveillance campaigns: gynaecological check-ups; urology; seasonal flu campaign; eye health campaigns and regular check-ups.

OHL "Cuídate" programme: the topics covered in the framework of the programme are stress management, sleep hygiene, healthy eating habits and prevention of diseases, among others. Workshops on various topics continued in 2020.

OTHER MEASURES FOR WORKERS' PERSONAL DEVELOPMENT

Corporate volunteering: carrying out corporate volunteering activities, both during working hours and at weekends, so that employees can participate with their families, and especially their children, with activities designed for them on the basis of the age groups involved. Corporate volunteering activities are classified as professional volunteering in which the employee makes his or her knowledge and welfare and leisure volunteering available to vulnerable groups.

Environmental performance indicators

						2020	2019
1	**Internal energy consumption**	**Construction**	**Industrial**	**Services**	**Corporate ***	**Total**	**Total**
	Consumption of fuel from non-renewable sources						
	(GJ)						
	Gas oil (l)	28,584,016.01	562,341.1	1,193,021.7	1,140,446.9	31,479,825.9	31,732,435.6
	Diesel (GJ)	995,449.8	19,583.8	41,547.5	39,716.5	1,096,297.5	1,105,094.8
	Petrol (l)	5,076,249.9	12,040.3	131,572.5	84,235.3	5,304,098.0	4,535,078.4
	Petrol (GJ)	160,413.6	380.5	4,157.8	2,661.9	167,613.7	143,312.1
	Natural gas (m^3)	6,650,943.6	0.0	0.0	0.0	6,650,943.6	6,954,089.8
	Natural gas (GJ)	280,137.7	0.0	0.0	0.0	280,137.7	292,906.3
	LPG (l)	481,661.0	44,983.0	36,625.2	0.0	563,269.2	2,208,947.3
	LPG (GJ)	11,825.3	1,104.4	899.2	0.0	13,828.9	54,232.2
	Lignite (kg)	0.0	0.0	0.0	0.0	0.0	0.0
	Lignite (GJ)	0.0	0.0	0.0	0.0	0.0	0.0
	Consumption of fuel from non-renewable sources (GJ)	**1,447,826.4**	**21,068.6**	**46,604.4**	**42,378.4**	**1,557,877.9**	**1,595,545.3**
	Biodiesel (l) **	1,226,590.0	0.0	0.0	0.0	1,226,590.0	246,400.0
	Biodiesel (GJ)	41,006.6	0.0	0.0	0.0	41,006.6	8,237.5
	Indirect energy acquired for consumption						
	Electricity (GJ)	83,397.2	3,688.7	134.3	16,003.4	103,223.6	92,184.3
	Electricity (GJ) /with renewable certification (GJ)	19,092.2	0.0	0.00	0.0	19,092.2	49,779.6
	Total energy consumption (GJ)	**1,591,322.4**	**24,757.3**	**46,738.8**	**58,381.8**	**1,721,200.4**	**1,745,746.8**

* Including offices
** Corrected 2019 biodiesel data

						2020	2019
2	**Energy intensity**	Construction	Industrial	Services	Corporate *	Total	Total
	Organisation-specific metric sales (millions of euros)	2,347.2	166.3	300.2	17.1	2,830.8	2,959.9
	Energy intensity of sales (GJ/millions of euros)	678.0	148.9	155.7	3,414.1	608.0	587.1
	Change in energy consumption	Energy consumption intensity was reduced by approximately 5% with respect to 2019.					

* Including offices

						2020	2019
3	**Total water extraction by source**	Construction	Industrial	Services	Corporate *	Total	Total
	Surface water (m^3)	407,152.4	6,358.0	0.0	0.0	413,510.4	1,169,450.9
	Groundwater (m^3)	82,422.0	10,138.0	0.0	0.0	92,560.0	239,250.9
	Rainwater (proprietary rain tanks) (m^3)	7,926.7	0.0	0.0	0.0	7,926.7	3,660.0
	Recovered water (m^3)	8,502.9	0.0	0.0	0.0	8,502.9	5,525.0
	Third-party water (m^3)	425,818.2	17,443.0	213,563.0	43,456.5	700,280.6	519,681.4
	Total (m^3)	**931,822.2**	**33,939.0**	**213,563.0**	**43,456.5**	**1,222,780.6**	**1,937,568.1**

Including offices

						2020	2019
4	**Total volume of water recycled and reused**	Construction	Industrial	Services	Corporate *	Total	Total
	Total volume of water recycled and reused (m^3)	8,502.9	0.0	0.0	0.0	8,502.9	5,525.0
	Water recycled or reused as a percentage of the total consumed (%)	0.9	0.0	0.0	0.0	0.7	0.3

* Including offices

5	Total waste water discharge by nature and destination	Construction	Industrial	Services	Corporate *	2020 Total, by destination	2019 Total, by destination
	To the land (m^3)	58,228.0	0.0	0.0	0.0	58,228.0	4,400.0
	To sewer (m^3)	61,225.8	513.2	3,232.2	0.0	64,971.1	109,741.0
	To surface water (m^3)	58,702.0	0.0	0.0	0.0	58,702.0	146,918.0
	To seawater (m^3)	0.0	0.0	0.0	0.0	0.0	451,800.0
	To groundwater (m^3)	0.0	0.0	0.0	0.0	0.0	1,203.6
	Reused by a third party (m^3)	0.0	3.2	0.0	0.0	3.2	2,644.2
	Other (m^3)	291,903.6	0.0	0.0	0.0	291,903.6	0.0
	Total by division (m^3)	470,059.4	516.3	3,232.2	0.0	473,807.8	716,706.8

Treatment	Discharge to third-party water (main sewer) and subsequent treatment (physical/chemical and biological as a minimum) at a sewage treatment plant.
Parameters	According to authorisation from and regulations of the country.

"Other" refers to discharges to various destinations (surface water, groundwater, sewers), the breakdown of which could not be specified.

* Including offices

6	Materials used by weight or volume	Construction	Industrial	Services	Corporate *	2020 Total	2019 Total
	Natural raw materials (quarried earth, rocks and aggregates) (t)	11,027,830.4	31,403.0	0.0	-	11,059,233.4	2,708,334.0
	Reused material from external suppliers (aggregates, earth, rocks) (t)	1,111,767.5	29,123.8	0.0	-	1,140,891.3	320,400.8
	Concrete (t)	1,596,009.8	52,480.9	0.0	-	1,648,490.7	1,822,705.8
	Cement (t)	114,757.9	0.0	0.0	-	114,757.9	37,699.6
	Natural topsoil (t)	547,582.5	0.0	0.0	-	547,582.5	56,132.7
	Bituminous mixtures and tars (t)	972,311.5	0.0	0.0	-	972,311.5	1,277,347.0
	Metals (t)	88,762.7	736.5	0.0	-	89,499.2	1,539.7
	Reused topsoil from external suppliers (t)	56,425.4	0.0	0.0	-	56,425.4	17,196.1
	Wood (non-certified forest product) (t)	8,025.3	5.6	0.0	-	8,030.9	3,403.8
	Paper (unrecycled non-certified forest product) (t)	30.0	1.3	0.0	41.3	72.5	449.8
	Paints (t)	36,992.7	0.1	1.4	-	36,994.2	223.3
	Paper (recycled non-certified forest product) (t)	7.0	0.8	0.0	1.0	8.8	33.4
	Chemical products (solvents, plant protection products, fertilizers and other) (t)	348.2	4.9	2,095.5	-	2,448.6	3,215.2
	Total	**15,560,850.8**	**113,756.9**	**2,096.9**	**42.3**	**15,676,746.8**	**6,248,681.1**

* Including offices

						2020	2019
7	**Materials used that are recycled input materials**	**Construction**	**Industrial**	**Services**	**Corporate ***	**Total**	**Total**
	Total (t)	1,168,192.9	29,123.8	0.0	0.0	1,197,316.7	339,170.0
	Percentage (%)	7.5	25.6	0.0	-	7.6	5.4

* Including offices
Reclaimed material includes: reused material of external origin and reused topsoil from external suppliers

		2020	2019
8	**Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**	**In 2020 there were five such protected areas and areas of high biodiversity value outside protected areas. The main impacts are on water, coastal areas, ecosystems and pre-existing fauna and flora. Impacts are controlled through management plans and compensation measures.**	

						2020	2019
9	**Total weight of waste by type and treatment method**	**Construction**	**Industrial**	**Services**	**Corporate ***	**Total**	**Total**
	Non-hazardous waste (NHW) by type (t)	**2,133,679.8**	**33,811.0**	**300.3**	**40.1**	**2,167,831.1**	**2,198,600.8**
	Wood (%)	1.7	0.6	0.0	0.0	1.6	0.0
	Scrap metal (%)	0.2	2.9	0.0	0.0	0.2	0.0
	Vegetable (%)	15.5	19.6	95.2	0.0	14.9	0.1
	Plastics (%)	0.0	0.2	1.7	0.0	0.0	0.0
	Paper and cardboard (%)	0.0	1.9	1.3	100	0.0	0.0
	MSW (%)	4.0	2.3	1.1	0.0	3.9	0.2
	Rubble (%)	20.2	21.9	0.7	0.0	19.4	0.1
	Concrete (%)	2.4	2.7	0.0	0.0	6.4	0.0
	Reused topsoil (%)	22.0	0.0	0.0	0.0	20.7	0.1
	Reused input material sourced internally (%)	33.9	47.9	0.0	0.0	32.7	0.5
	Non-hazardous waste (NHW) by treatment (t)	**2,133,679.8**	**33,811.0**	**300.3**	**40.1**	**2,167,831.1**	**2,198,600.8**
	Reused (%)	60.0	48.5	0.0	0.0	57.3	43.8
	Reclaimed (%)	0.5	0.0	0.0	0.0	0.5	0.0
	Landfills (%)	23.9	29.01	1.7	0.0	27.1	0.4
	Composting (%)	2.2	0.04	95.2	0.0	2.0	0.1
	Recycling (%)	4.0	2.8	3.0	100	3.8	0.0
	Injection (%)	1.2	0.8	0.0	0.0	1.1	0.0
	Recovered (%)	0.0	0.0	0.0	0.0	0.0	0.0
	Deposits (%)	0.2	0.0	0.0	0.0	0.2	0.0
	Other treatments (%)	8.08	18.6	0.0	0.0	7.9	0.0
	Hazardous waste (HW) by type (t)	**45,080.3**	**22.0**	**5.3**	**53.6**	**45,189.4**	**80,684.8**
	Contaminated absorbents (%)	0.02	0.4	1.3	0.0	0.02	0.0

Asbestos (%)	0.08	0.0	0.0	0.0	0.08	0.0
Contaminated sludges (%)	0.01	5.8	0.0	0.0	0.01	0.0
Contaminated metals (%)	0.02	39.7	0.0	0.0	0.03	0.0
Contaminated plastics (%)	0.1	16.3	26.4	0.0	0.1	0.0
Chemical products (%)	0.06	4.6	12.3	0.0	0.07	0.0
WEEE (%)	0.07	0.7	57.8	57.6	0.1	0.0
Oily-water mixtures in bilges (%)	0.02	0.01	0.0	0.0	0.02	0.0
Contaminated soil (%)	98.2	31.6	0.0	0.0	98.1	1.0
Other HW (%)	1.3	0.6	2.06	42.3	1.3	0.0
Hazardous waste (HW) by treatment (t)	**45,080.3**	**22.0**	**5.3**	**53.6**	**45,189.4**	**80,684.8**
Reused (%)	0.0	0.0	0.0	0.0	0.0	0.0
Reclaimed (%)	0.0	0.0	0.0	0.0	0.0	0.0
Landfills (%)	96.5	98.8	21.7	0.0	96.4	96.4
Composting (%)	0.1	0.0	0.0	0.0	0.1	0.1
Recycling (%)	3.3	0.0	0.0	100	3.4	3.4
Injection (%)	0.0	0.0	0.0	0.0	0.0	0.0
Recovered (%)	0.0	0.0	0.0	0.0	0.0	0.0
Deposits (%)	0.1	1.2	0.0	0.0	0.1	0.1
Other treatments (%)	0.0	0.0	78.3	0.0	0.0	0.0

* Including offices

10	Percentage of new suppliers that were screened using environmental criteria	Construction	Industrial	Services	Corporate *	Total
		Suppliers must be assessed (accredited) prior to any award, in accordance with the requirements established in OHL's codes, policies, rules and processes. Also, critical suppliers are subject to a Third Party Due Diligence analysis, in which their suitability is assessed from the technical, financial and compliance standpoints. The declaration relating to suppliers and contractors was updated for the assessment process, specifically including ESG matters such as compliance with the Global Compact and knowledge and application of the values and principles of OHL's Code of Ethics, Anti-Corruption Policy, Crime Prevention Policy and Responsible Purchasing Policy.				

* Including offices

11	Number of environmental complaints that have been filed, addressed and resolved through formal grievance mechanisms	Construction	Industrial	Services	Corporate *	Total
		OHL did not file or address environmental complaints through formal grievance mechanisms in the reporting year or in previous years.				

* Including offices

12	OHL's emissions by source	(t) CO_2	(t) CH_4	(t) N_2O	(t) CO_2eq
	Outside scope	-	-	-	-
	Scope 1: Stationary combustion	30,409.4	3.4	0.2	30,554.3
	Scope 1: Mobile combustion	79,973.9	4.2	4.6	81,310.0
	Scope 1: Fugitive and process emissions				
	Waste water treatment	-	-	-	-
	Use of fertilisers	-	-	-	-
	Refrigerant gases	-	-	-	-
	Insulating gases	-	-	-	-
	Total Scope 1	**110,383.3**	**7.7**	**4.7**	**111,864.3**
	Scope 2: Imported electricity	**12,623.7**	**-**	**-**	**12,623.7**
	Total Scope 2	**12,623.7**	**-**	**-**	**12,623.7**
	Materials	-	-	-	777,685.7
	Subcontractors: Stationary combustion	-	-	-	-
	Subcontractors: Mobile combustion	-	-	-	-
	Capital goods	-	-	-	-
	Scope 3: Fuel-energy activities	**-**	**-**	**-**	**1,861.0**
	T&D electricity losses	906.1	-	-	906.1
	Electricity generation losses	954.9	-	-	954.9
	Scope 3: Waste generated	**-**	**-**	**-**	**13,469.0**
	Scope 3: Business travel	**559.9**	**0.3**	**3.2**	**1,506.8**
	Hotel stays (nights)	-	-	-	96.9
	Transport	559.9	0.3	3.2	1,409.9
	Scope 3: Employee mobility	-	-	-	-
	Total Scope 3	**2,420.9**	**0.3**	**3.2**	**794,522.4**

The results dumped for HFC and SF6 emissions are not significant in the global calculation of emissions

						2020	2019
13	**Emissions by business line**	**Construction**	**Industrial**	**Services**	**Corporate ***	**Total**	**Total**
	Direct (Scope 1) GHG emissions (tCO2eq)	103,999.0	1,642.8	3,616.9	2,605.6	111,864.3	113,459.9
	Indirect (Scope 2) GHG emissions (tCO2eq)	11,763.9	623.7	170.9	65.2	12,623.7	13,921.3
	Indirect (Scope 3) GHG emissions (tCO2eq)	754,271.8	9,233.0	30,993.1	24.5	794,522.4	677,652.0
	Intensity of GHG emissions (Scope 1+Scope 2/Sales (tCO2eq/Millions of euros)	49.3	15.2	12.6	156.2	44.0	43.0
	Reduction of GHG emissions	There was a 14% change in emissions (Scope 1+Scope 2+Scope 3) in absolute terms with respect to 2019, a year in which the entire US market was not included and, accordingly, the analysis of the change does adequately reflect the comparability of the changes in emissions from one year to the next. The reporting systems and, consequently, the quality of the information in every country in which we are present, were improved in 2020, which reduces the level of uncertainty regarding the Group's carbon footprint. Also, the Group works on a day-to-day basis on the daily operations of its projects in order to reduce the intensity of its emissions. Under this premise, A1 was reduced by 1.5% and A2 by 9.3%.					

* Including offices

14	**Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions by type**	**Total**
	Emissions of NOX (t)	148.5
	Emissions of SOX (t)	183.4
	Emissions of VOCs (t)	13.8
	Emissions of CO (t)	58.7
	Emissions of particulate matter (PM) (t)	28.1

List of material matters

OHL's materiality matrix for 2020	Code
Innovation and environmental matters	
Efficient use of raw materials: Use of environmentally respectful construction materials	1
Efficient management of energy: Commitment to energy efficiency	2
Encouragement of use of renewable energy	3
Reduction of greenhouse gases and initiatives to combat climate change	4
Efficient water consumption	5
Protection of biodiversity	6
Circular economy	7
Sustainable and smart mobility	8
Sustainable business: offering of sustainable solutions	9
Social and employment-related matters	
Diversity and equal opportunity	10
Attraction and retention of talent	11
Skill-building, training and promotion of staff employability	12
Occupational health and safety	13
Sense of belonging and job stability - Employer branding	14
Work-life balance and digital disconnection measures	15
Management of the relationship and dialogue with communities	16
Promotion of global social action and volunteering projects	17
Social impact of OHL's actions	18
Respect for and compliance with employees' human rights, regardless of the country's specific circumstances	19
Assessment of the impact of OHL's operations on human rights	20
Supply chain matters	
Monitoring and assessment of the supply chain	21
Responsible supply chain management	22
Supplier due diligence processes relating to sustainability-related matters	23
Responsibilities to customers	24

Good governance matters	
Good governance, ethics and compliance	25
Financial and non-financial risk management	26
Transparent reporting	27

Verification Report

Obrascón Huarte Lain, S.A. and Subsidiaries

Independent limited assurance report on the Consolidated Non-Financial Information Statement of Obrascón Huarte Lain, S.A. and Subsidiaries

March 25th, 2021

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
www.deloitte.es

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

INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT OF OBRASCON HUARTE LAIN, S.A. AND SUBSIDIARIES

To the Shareholders of Obrascón Huarte Lain S.A.:

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the Non-Financial Information Statement (hereinafter, NFIS) for the year ended 31 December 2020 of Obrascón Huarte Lain, S.A. and subsidiaries (hereinafter, OHL), which forms part of OHL's Consolidated Management Report.

The Consolidated Management Report includes information additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting (GRI standards), that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in "GRI Tables" and in "NFIS Tables".

Responsibilities of the Directors and of Management

The preparation of the NFIS included in the Consolidated Management Report of OHL, as well as its content, are the responsibility of the Board of Directors of OHL. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation, with GRI standards in their core option, as well as other criteria described as indicated for each matter in "GRI Tables" and in "NFIS Tables".

These responsibilities also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The Directors and the Management of OHL are also responsible for defining, implementing, adapting and maintaining the management systems from which the necessary information for the preparation of the NFIS is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements.

The procedures performed in a limited assurance engagement vary in nature and timing, and are shorter in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also lower.

Our work consisted in requesting information from management and the various units of OHL that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Group personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.
- Analysis of the scope, relevance and completeness of the contents included in the NFIS based on the materiality analysis performed by OHL and described in the chapter "VI.IV Materiality analysis" of the Consolidated Management Report, also considering the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data included in the 2020 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the 2020 NFIS.

- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2020 NFIS, and the appropriate compilation thereof based on the data furnished by information sources.

- Obtainment of a representation letter from the directors and management.

Conclusion

Based on the procedures performed, no matter has come to our attention that causes us to believe that:

a) The non-financial information identified on section "GRI Tables" of OHL for the year ended December 31, 2020 has not been prepared, in all material respects, including the adequation of the reviewed contents, in accordance with the GRI standards in their core option.

b) The NFIS corresponding to the year ended December 31st, 2020 has not been prepared, in all material aspects, in accordance with the content specified in current Spanish corporate legislation and in keeping with the criteria of the selected GRI standards, as well as those other criteria described in accordance with what is mentioned for each subject in "NFIS Tables".

Use and distribution

This report has been prepared in response to the requirement established in current Spanish corporate legislation, so it may not be suitable for other purposes and jurisdictions.

DELOITTE, S.L

March 25th, 2021

Mª Concepción Iglesias Jiménez

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09
Consolidated financial statements

Marmaray project. Turkey

Consolidated financial statements

Consolidates balance sheets as at 31 December 2019

ASSETS	Notes	31/12/20	31/12/19
NON-CURRENT ASSETS			
Intangible assets	3.1.		
Intangible assets		439,849	467,797
Accumulated amortisation		(283,607)	(278,690)
		156,242	**189,107**
Concession infrastructure	3.2.		
Intangible asset model		13,712	13,101
Financial asset model		61,417	59,666
		75,129	**72,767**
Property, plant and equipment	3.3.		
Land and buildings		70,772	79,748
Machinery		319,706	355,111
Other fixtures, tools and furniture		76,343	86,735
Advances and property, plant and equipment in the course of construction		2,539	10,204
Other items of property, plant and equipment		65,973	66,438
Accumulated depreciation and impairment losses		(390,636)	(411,847)
		144,697	**186,389**
Investment property	3.4.	**4,295**	**10,154**
Goodwill	3.5.	**6,398**	**7,247**
Non-current financial assets	3.6.		
Investment securities		64,176	64,205
Other receivables		243,063	265,718
Deposits and guarantees given		8,910	11,214
Impairment losses		(9,250)	(8,884)
		306,899	**332,253**
Investments accounted for using the equity method	3.7.	**295,106**	**301,362**
Deferred tax assets	3.22.	**149,063**	**205,023**
TOTAL NON-CURRENT ASSETS		**1,137,829**	**1,304,302**
CURRENT ASSETS			
Non-current assets classified as held for sale and discontinued operations		-	-
Inventories	3.8.		
Embodiment items, fungibles and replacement parts for machinery		27,604	42,284
Auxiliary shop projects and site installations		32,113	31,328
Advances to suppliers and subcontractors		27,542	35,044
Write-downs		(1,006)	(1,500)
		86,253	**107,156**
Trade and other receivables	3.9.		
Trade receivables for sales and services		977,631	1,048,969
Receivable from associates		134,521	182,643
Employee receivables		931	1,346
Tax receivables	3.22.	77,368	83,213
Sundry accounts receivable		47,159	45,938
Write-downs		(109,114)	(104,487)
		1,128,496	**1,257,622**
Current financial assets	3.6.		
Investment securities		45,135	33,911
Other receivables		14,701	28,215
Deposits and guarantees given		148,380	185,403
Write-downs		(13,311)	(18,519)
		194,905	**229,010**
Current income tax assets		**7,808**	**14,622**
Other current assets	3.10.	**128,731**	**156,162**
Cash and cash equivalents	3.11.	**471,014**	**555,442**
TOTAL CURRENT ASSETS		**2,017,207**	**2,320,014**
TOTAL ASSETS		**3,155,036**	**3,624,316**

Note: the accompanying Notes 1 to 6 and the Appendices thereto are an integral part of the consolidated balance sheet as at 31 December 2020.

Consolidates balance sheets as at 31 December 2020 and 31 December 2019

EQUITY AND LIABILITIES	Notes	31/12/20	31/12/19
EQUITY			
Share capital	**3.12.**	171,929	171,929
Share premium	**3.13.**	1,265,300	1,265,300
Treasury shares	**3.14.**	(406)	(535)
Reserves	**3.15.**	(559,063)	(520,064)
Reserves of consolidated companies	**3.15.**	(209,608)	(103,960)
Valuation adjustments	**3.16.**	(53,364)	(42,699)
Consolidated loss for the year attributable to the Parent		(151,221)	(142,960)
Interim dividend		-	-
TOTAL EQUITY ATTRIBUTABLE TO THE PARENT		**463,567**	**627,011**
Non-controlling interests	**3.17.**	**(3,295)**	**(4,148)**
TOTAL EQUITY		**460,272**	**622,863**
NON-CURRENT LIABILITIES			
Debt instruments and other marketable securities	**3.18.**		
Corporate bond issues		589,636	587,887
		589,636	**587,887**
Bank borrowings	**3.18.**		
Mortgage and other loans		1,844	150
Loans of concession operators		51,008	-
		52,852	**150**
Other financial liabilities	**3.19.**	**33,802**	**31,483**
Deferred tax liabilities	**3.22.**	**78,773**	**95,125**
Provisions	**3.20.**	**63,710**	**65,518**
Deferred income		**593**	**817**
Other non-current liabilities	**3.21.**	**14,094**	**16,505**
TOTAL NON-CURRENT LIABILITIES		**833,460**	**797,485**
CURRENT LIABILITIES			
Liabilities associated with non-current assets classified as held for sale and discontinued operations		-	-
Debt instruments and other marketable securities	**3.18.**		
Corporate bond issues		8,804	83,691
		8,804	**83,691**
Bank borrowings	**3.18.**		
Mortgage and other loans		97,627	3,388
Loans of concession operators		-	53,770
Unmatured accrued interest payable		7	19
Unmatured accrued interest payable of concession operators		193	203
		97,827	**57,380**
Other financial liabilities	**3.19.**	**16,862**	**26,287**
Trade and other payables			
Customer advances	**3.9.**	417,146	517,372
Accounts payable for purchases and services		830,288	977,025
Notes payable		56,023	55,315
		1,303,457	**1,549,712**
Provisions	**3.20.**	**210,414**	**217,146**
Current income tax liabilities		**2,952**	**12,299**
Other current liabilities	**3.21.**		
Payable to associates		109,025	121,636
Remuneration payable		27,889	30,262
Tax payables	**3.22.**	67,070	74,865
Other non-trade payables		14,260	28,145
Guarantees and deposits received		2,543	2,492
Other current liabilities		201	53
		220,988	**257,453**
TOTAL CURRENT LIABILITIES		**1,861,304**	**2,203,968**
TOTAL EQUITY AND LIABILITIES		**3,155,036**	**3,624,316**

Note: the accompanying Notes 1 to 6 and the Appendices thereto are an integral part of the consolidated balance sheet as at 31 December 2020.

Consolidated statements of profit or loss for the years ended 31 December 2020 and 31 December 2019

	Notes	2020	2019
Revenue	3.23.	2,830,727	2,959,905
Other operating income	3.23.	51,155	86,175
Total operating income		**2,881,882**	**3,046,080**
Procurements	3.23.	(1,591,062)	(1,726,202)
Staff costs	3.23.	(755,130)	(757,502)
Other operating expenses	3.23.	(468,175)	(497,611)
Depreciation and amortisation charge		(74,582)	(68,304)
Changes in provisions and allowances		(1,470)	(8,724)
LOSS FROM OPERATIONS		**(8,537)**	**(12,263)**
Finance income	3.23.	17,857	20,575
Finance costs	3.23.	(54,470)	(56,506)
Net exchange differences	3.23.	(1,816)	2,236
Net gains (losses) on remeasurement of financial instruments at fair value	3.23.	(17,940)	2,361
Result of companies accounted for using the equity method	3.23.	677	(7,032)
Impairment and gains or losses on disposals of financial instruments	3.23.	(62,892)	(71,030)
LOSS BEFORE TAX		**(127,121)**	**(121,659)**
Income tax	3.22.	(22,989)	(21,842)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		**(150,110)**	**(143,501)**
Profit or loss for the year from discontinued operations, net of tax		-	-
CONSOLIDATED LOSS FOR THE YEAR		**(150,110)**	**(143,501)**
(Profit) Loss from continuing operations attributable to non-controlling interests	3.17.	(1,111)	541
Profit or loss from discontinued operations attributable to non-controlling interests	3.17.	-	-
CONSOLIDATED LOSS FOR THE YEAR ATTRIBUTABLE TO THE PARENT		**(151,221)**	**(142,960)**
Earnings (Loss) per share:			
Basic	1.5.	**(0.53)**	**(0.50)**
Diluted	1.5.	**(0.53)**	**(0.50)**
Earnings (Loss) per share from discontinued operations:			
Basic	1.5.	-	-
Diluted	1.5.	-	-

Note: the accompanying Notes 1 to 6 and the Appendices thereto are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2020.

Consolidated statements of comprehensive income for the years ended 31 December 2020 and 31 December 2019

	2020	2019
CONSOLIDATED LOSS FOR THE YEAR	**(150,110)**	**(143,501)**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**(19,127)**	**(24,045)**
Revaluation of financial instruments	-	-
Cash flow hedges	(5,519)	(8,802)
Translation differences	(10,873)	(11,704)
Companies accounted for using the equity method	(4,238)	(5,466)
Tax effect	1,503	1,927
TRANSFERS TO PROFIT OR LOSS	**8,453**	**4,802**
Revaluation of financial instruments	-	-
Cash flow hedges	1,329	3,179
Translation differences	-	-
Companies accounted for using the equity method	7,482	1,962
Tax effect	(358)	(339)
TOTAL COMPREHENSIVE INCOME	**(160,784)**	**(162,744)**
Attributable to the Parent	(161,886)	(160,195)
Attributable to non-controlling interests	1,102	(2,549)

Note: the accompanying Notes 1 to 6 and the Appendices thereto are an integral part of the consolidated statement of comprehensive income for the year ended 31 December 2020.

Consolidated statements of changes in equity for the years ended 31 December 2020 and 31 December 2019

	Equity attributable to the Parent								
	Share capital	Share premium and reserves	Treasury shares	Consolidated loss for the year attributable to the Parent	Valuation adjustments	Interim dividend	Total equity attributable to the Parent	Non-controlling interests	Total equity
Ending balance at 31 December 2018	171,929	2,317,891	(370)	(1,577,346)	(25,464)	(99,867)	786,773	(1,104)	785,669
Total comprehensive income	-	-	-	(142,960)	(17,235)		(160,195)	(2,549)	(162,744)
Transactions with shareholders or owners	-	(99,758)	(165)	-	-	99,867	(56)	-	(56)
Dividends paid	-	(99,867)	-	-	-	99,867	-	-	-
Treasury share transactions	-	109	(165)	-	-	-	(56)	-	(56)
Other changes in equity	-	(1,576,857)	-	1,577,346	-	-	489	(495)	(6)
Transfers between equity items	-	(1,577,346)	-	1,577,346	-	-	-	-	-
Other changes	-	489	-	-	-	-	489	(495)	(6)
Ending balance at 31 December 2019	171,929	641,276	(535)	(142,960)	(42,699)	-	627,011	(4,148)	622,863
Total comprehensive income	-	-	-	(151,221)	(10,665)	-	(161,886)	1,102	(160,784)
Transactions with shareholders 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)
Ending balance at 31 December 2020	171,929	496,629	(406)	(151,221)	(53,364)	-	463,567	(3,295)	460,272

Note: the accompanying Notes 1 to 6 and the Appendices thereto are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2020.

Consolidated statements of cash flows for the years ended 31 December 2020 and 31 December 2019

	2020	2019
A) CASH FLOWS FROM OPERATING ACTIVITIES	**7,644**	**(138,634)**
Loss before tax	**(127,121)**	**(121,659)**
Adjustments for:	**194,636**	**186,424**
Depreciation and amortisation charge	74,582	68,304
Other adjustments to the loss before tax	120,054	118,120
Changes in working capital	**(69,496)**	**(187,009)**
Other cash flows from operating activities	**9,625**	**(16,390)**
Dividends received	3,256	5,502
Income tax recovered (paid)	(12,620)	(21,226)
Other amounts received (paid) relating to operating activities	18,989	(666)
B) CASH FLOWS FROM INVESTING ACTIVITIES	**(12,930)**	**(31,594)**
Payments due to investment	**(52,215)**	**(145,991)**
Group companies, associates and business units	(26,630)	(87,312)
Property, plant and equipment, intangible assets and investment property	(24,741)	(46,792)
Other financial assets	(844)	(11,887)
Other assets	-	-
Proceeds from disposal	**25,982**	**93,836**
Group companies, associates and business units	13,620	-
Property, plant and equipment, intangible assets and investment property	12,362	16,580
Other financial assets	-	-
Other assets	-	77,256
Other cash flows from investing activities	**13,303**	**20,561**
Interest received	13,303	20,561
Other amounts received (paid) relating to investing activities	-	-
C) CASH FLOWS FROM FINANCING ACTIVITIES	**(59,260)**	**(93,946)**
Proceeds and (payments) relating to equity instruments	**(120)**	**(56)**
Acquisition	(18,728)	(34,321)
Disposal	18,608	34,265
Proceeds and (payments) relating to financial liability instruments	**20,011**	**(11,850)**
Issue	107,312	3,218
Redemption and repayment	(87,301)	(15,068)
Dividends and returns on other equity instruments paid	**-**	**-**
Other cash flows from financing activities	**(79,151)**	**(82,040)**
Interest paid	(54,492)	(56,390)
Other amounts received (paid) relating to financing activities	(24,659)	(25,650)
D) EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALEN	**(19,882)**	**5,182**
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**(84,428)**	**(258,992)**
F) CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**555,442**	**814,434**
G) CASH AND CASH EQUIVALENTS AT END OF YEAR (E+F)	**471,014**	**555,442**

COMPONENTS OF CASH AND CASH EQUIVALENTS AT END OF YEAR		
Cash on hand and at banks	450,324	517,187
Other financial assets	20,690	38,255
TOTAL CASH AND CASH EQUIVALENTS AT END OF YEAR	**471,014**	**555,442**

Note: the accompanying Notes 1 to 6 and the Appendices thereto are an integral part of the consolidated statement of cash flows for the year ended 31 December 2020.

General information

Company name and registered office

Obrascón Huarte Lain, S.A. (the Parent) is a public limited liability company, formerly Sociedad General de Obras y Construcciones Obrascón, S.A., incorporated on 15 May 1911 and its registered office is at Paseo de la Castellana, 259 D, Madrid, Spain.

The Parent of the Group is Obrascón Huarte Lain, S.A., with registered office at Paseo de la Castellana, 259 D, Madrid, Spain.

The OHL Group operates mainly in the US, Spain and other countries, particularly in Latin America and the rest of Europe.

Business activities

Construction of all manner of civil engineering works and building construction for public and private sector customers, both in Spain and abroad.

CONSTRUCTION

Construction of all manner of civil engineering works and building construction for public and private sector customers, both 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, energy, solids engineering and fire safety systems.

SERVICES

Servicing of properties and infrastructure maintenance for all types of properties, housing and offices.

In addition, other currently less significant activities are performed, which at the reporting date are not separately reported because the amounts do not account for a significant proportion of the Group's total revenue; these activities relate to the development and operation of top quality mixed-use hotel related real estate projects and to the development of infrastructure focusing on concession arrangements.

Loss for the year, changes in equity attributable to the Parent and changes in cash flows

LOSS FOR THE YEAR

The consolidated loss for 2020 attributable to the Parent amounted to EUR (151,221) thousand.

Thousands of euros

CONCEPT	2020	2019
Revenue	2,830,727	2,959,905
EBITDA (*)	**67,515**	**64,765**
EBIT	**(8,537)**	**(12,263)**
Financial loss and other profits and losses	(118,584)	(109,396)
Loss before tax	**(127,121)**	**(121,659)**
Income tax	(22,989)	(21,842)
Loss for the year from continuing operations	**(150,110)**	**(143,501)**
Profit or loss) for the year from discontinued operations	-	-
(Profit) Loss attributable to non-controlling interests	(1,111)	541
Loss attributable to the Parent	**(151,221)**	**(142,960)**

(*) EBITDA is calculated as profit or loss from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT

The changes in the equity attributable to the Parent in 2020 and 2019 were as follows:

CONCEPT	Miles de euros
Balance at 31 December 2018	**786,773**
2019 loss attributable to the Parent	(142,960)
Valuation adjustments relating to hedges	(6,086)
Translation differences	(11,149)
Other changes	433
Balance at 31 December 2019	**627,011**
2020 loss attributable to the Parent	(151,221)
Valuation adjustments relating to hedges	1,175
Translation differences	(11,840)
Other changes	(1,558)
Balance at 31 December 2020	**463,567**

CHANGES IN CASH FLOWS

The cash flows in 2020 compared with those of 2019, classified on the basis of whether they arose from operating, investing or financing activities, are summarised as follows:

	2020	2019	Difference
Operating activities	7,644	(138,634)	146,278
Investing activities	(12,930)	(31,594)	18,664
Financing activities	(59,260)	(93,946)	34,686
Effect of exchange rate changes on cash and cash equivalents	(19,882)	5,182	(25,065)
Net increase (decrease) in cash and cash equivalents	**(84,428)**	**(258,992)**	**174,564**
Cash and cash equivalents at beginning of year	**555,442**	**814,434**	**(258,992)**
Cash and cash equivalents at end of year	**471,014**	**555,442**	**(84,428)**

Proposed allocation of loss and dividend

The allocation of the loss for 2020 that the directors of Obrascón Huarte Lain, S.A. will propose for approval by the shareholders at the Annual General Meeting is as follows:

Thousands of euros

2020 loss	**(205,203)**
Allocation:	
To legal reserve	-
Interim dividend	-
To prior years' losses	(205,203)

Earnings per share

BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the consolidated profit or loss for the year attributable to the Parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held in the year.

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated in a similar way to basic earnings per share; however, the weighted average number of shares outstanding is increased by share options, warrants and convertible debt.

In 2020 and 2019 there were no differences between the basic earnings per share and diluted earnings per share.

Thousands of euros

CONCEPT	2020	2019
Weighted average number of shares outstanding	285,964,167	286,052,416
Consolidated loss for the year attributable to the Parent	(151,221)	(142,960)
Basic loss per share = diluted loss per share	**(0.53)**	**(0.50)**

Basis of presentation and basis of consolidation

Basis of presentation

The consolidated financial statements for 2020 of the Obrascón Huarte Lain Group were formally prepared:

- By the Parent's directors, at the Board of Directors Meeting held on 25 March 2021.

- In accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

- Taking into account all the mandatory accounting principles and policies and measurement bases with a significant effect on the consolidated financial statements. The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2020 are summarised in Note 2.6.

- So that they present fairly the Group's consolidated equity and financial position at 31 December 2020 and the consolidated results of its operations, the consolidated comprehensive income, the changes in consolidated equity and the consolidated cash flows in 2020

- 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 consolidated financial statements for 2020 differ in certain cases from those used by the Group companies (local standards), the required adjustments and reclassifications were made on consolidation to unify the accounting policies and measurement bases used and to make them compliant with IFRSs.

The Group's consolidated financial statements for 2019 were approved by the shareholders at the Annual General Meeting of the Parent held on 15 June 2020.

The 2020 consolidated financial statements of the Group and the 2020 financial statements of the Parent and of the Group companies have not yet been approved by their shareholders at the respective Annual General Meetings. However, the Parent's Board of Directors considers that they will be approved without any changes.

International Financial Reporting Standards (IFRSs)

New accounting standards approved in 2020

The following amendments were approved for use in the European Union in 2020:

New amendments: Approved for use in the European Union		Obligatory application in annual reporting periods beginning on or after:
Definition of Material (Amendments to IAS 1 and IAS 8)	Amendments to IAS 1 and IAS 8 to align the definition of material with the definition contained in the Conceptual Framework.	
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	Amendments to IFRS 9, IAS 39 and IFRS 7 relating to the interest rate benchmark reform in progress.	1 January 2020
Definition of a Business (Amendments to IFRS 3)	Clarifications of the definition of a business.	
Covid-19-Related Rent Concessions (Amendments to IFRS 16, Leases)	Amendments to help lessees account for covid-19-related rent concessions.	1 June 2020
Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to the interest rate benchmark reform (phase 2).	1 January 2021
Amendments to IFRS 4 Extension of the temporary exemption from	Extension of the temporary exemption from applying IFRS 9 until 2023.	

None of the amendments that became effective in 2020 had a significant effect on the Group's consolidated financial statements.

Standards and interpretations issued but not yet in force

At the date of preparation of these consolidated financial statements, the following standards and amendments had been published by the International Accounting Standards Board (IASB) but had not yet come into force, either because their effective date is subsequent to the date of the consolidated financial statements or because they had not yet been adopted by the European Union:

New standards and amendments:		Obligatory application in annual reporting periods beginning on or after:
Not yet approved for use in the European Union		
Amendments:		
Reference to the Conceptual Framework (Amendments to IFRS 3	IFRS 3 is amended to bring the references to the definitions of assets and liabilities in a business combination into line with those contained in the Conceptual Framework.	1 January 2022
Proceeds before Intended Use (Amendments to IAS 16)	These amendments prohibit the deduction from the cost of property, plant and equipment of any proceeds from the sale of items produced while an entity is preparing those items for their intended use.	
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	These amendments explain that the cost of fulfilling a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling the contract.	
Improvements to IFRSs, 2018-2020 cycle	Minor amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41.	
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	Clarifications on the presentation of liabilities as current or non-current.	1 January 2023
New standards:		
IFRS 17, Insurance Contracts and Amendments to IFRS 17	IFRS 17 supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued to ensure that entities provide relevant and reliable information that gives a basis for users of the financial information to assess the effect that insurance contracts have on the financial statements.	1 January 2023

All the accounting principles or measurement bases with a material effect on the interim condensed consolidated financial statements were applied in preparing them.

Functional currency

These consolidated financial statements are presented in euros since this is the currency of the primary economic environment in which the Group operates. Foreign operations are accounted for in accordance with the policies established in Note 2.6.11.

Responsibility for the information and use of estimates

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

In the consolidated financial statements for 2020 estimates were occasionally made by the senior executives of the Group and of the Group companies, later ratified by their directors, in order to quantify certain of the assets, liabilities, income and expenses reported herein. These estimates relate basically to the following:

- The impairment losses on certain assets (see Notes 2.6.6., 3.1., 3.2. and 3.5.).
- The useful life of the intangible assets and property, plant and equipment (see Notes 2.6.1. and 2.6.3.).
- The recognition of construction contract revenue and costs (see Notes 2.6.15., 3.9. and 3.23.).

- The amount of certain provisions (see Notes 2.6.14. and 3.20.).
- The fair value of the assets acquired in business combinations and goodwill (see Note 3.5.)
- The fair value of certain unquoted assets.
- The assessment of possible contingencies relating to employment, tax and legal risks (see Notes 3.20., 3.22. and 4.6.2.2.).
- Financial risk management (see Note 4.2.1.).

Although these estimates were made on the basis of the best information available at 31 December 2020, events that take place in the future might make it necessary to change these estimates in coming years. Changes in accounting estimates would be applied, pursuant to

IAS 8, by recognising the effects of the change in estimates in the related consolidated statements of profit or loss.

As required by IAS 1, the information relating to 2019 is presented, for comparison purposes, with the information relating to 2020 and, accordingly, it does not constitute the Group's complete consolidated financial statements for 2019.

In this regard, the impact that the covid-19 pandemic has had on the economy in general and the uncertainty concerning the prospects for recovery should be taken into account. This situation means that the estimates and assumptions made in preparing the consolidated financial statements for the year are also affected by a greater degree of uncertainty.

COVID-19

The pandemic that emerged at the beginning of 2020 has evolved towards the worst of the predicted scenarios, having an unprecedented effect on the world, especially Europe and, in particular, the southern countries to varying degrees.

After a reaction from the European institutions that led to the major European Council agreement of July 2020 approving a financing deal for all Member States worth EUR 750,000 million in grants and loans, since the summer that initial impulse has been waning and the actions involving European funds have been increasingly directed towards investment projects, meaning that the Member States are now relying, almost exclusively, on grants.

In this context, the OHL Group, with its worldwide presence, is observing the evolution of the pandemic with concern, but the unequal global effect in the various geographical areas in which it operates has partially offset the adverse effects. However, the Group considers that the consequences for its operations are uncertain and will depend largely on the evolution and spread of the pandemic in the coming months.

Nonetheless, based on the best available information on the possible economic, social and employment-related impacts that this pandemic has had on OHL to date, and although it is not possible to complete a definitive assessment due to the uncertainty of the consequences of the pandemic in the medium term, an analysis of its effects on, and consequences for, the Group in 2020 was conducted.

The main impacts on the consolidated financial statements for 2020 of the OHL Group and some of the measures adopted to mitigate the effects are described below:

1. Impact on the performance of construction work/projects

The consequences of the covid-19 pandemic, while global, did not affect the various territories in which the OHL Group operates in the same way:

i. USA: the impact on the Group's activities was not significant, despite the considerable incidence of the pandemic in the east of the country, particularly in New York, as the projects in progress were not ordered to be halted. .

ii. Canada: the impact on the OHL Group's activities was not significant, since construction, in special circumstances, was considered essential.

iii. North LatAm (Mexico, Peru, Colombia): in Mexico a state of emergency was declared and non-essential activities were ordered to be halted. The Group's projects were declared to be essential and, although there were some supply problems, the impact was not significant.

The effect of the pandemic was significant for the OHL Group in Peru and Colombia, with a slowdown in project production and, in certain cases such as Peru, work was halted. In Colombia work shifts in the various projects had to be shortened.

iv. South LatAm (Chile): the impact was significant because, since the national health alert was decreed, the effects of the pandemic evolved in differing degrees. This affected the Group's projects, as rotating shifts had to be introduced, supplies were significantly affected and staff were unable to access centres due to the situation.

v. Spain: the impact on the Group's activities in Spain was significant. There were general supply problems in the first wave and only 57% of all projects could be performed with a certain degree of normality. Activity has been gradually returning to normal since September.

vi. Rest of the world (Czech Republic, Norway, Sweden, Ireland, the Middle East and Africa): an uneven impact, albeit not significant for the Group, although the health crisis in the Czech Republic is currently having a notable impact, even though construction activity is continuing.

Therefore, the most affected business line within the OHL Group was the Construction business, with Spain and Latin America being the most affected areas. Industrial activity was affected, albeit to a lesser extent than Construction activity.

Despite some difficulties, the operations carried on by the Services Division remained stable, as they are considered to be essential activities.

Despite the pandemic, sales were maintained and amounted to EUR 2,347,221 thousand, representing a -4.3% decrease on the sales achieved in 2019. Construction accounts for 83.0% of the Group's sales, with 84.7% of the operations carried on abroad.

Thousands of euros

Construction	2020	2019	% change
Sales	2,347,221	2,452,226	-4.3%
EBITDA	62,210	75,481	-17.6%
% of sales	2.7%	3.1%	-

The covid-19 pandemic impacted EBITDA to the greatest extent due to partial or total stoppages in the aforementioned regions, and to the effect of the direct and indirect costs incurred, which could not be passed on to the Group's various customers.

Following the analysis conducted by the Group, the main conclusions reached in relation to the impact of the covid-19 pandemic on Construction activity are as follows:

i. The increase in activity in the US is partially offsetting the decreases in production in other areas in Europe and Latin America and, accordingly, the Group's Construction activity was hit to a lesser degree. These impacts on production in Spain and Latin America led to a reduction in the Group's sales of approximately EUR 165,000 thousand with respect to 2019.

ii. EBITDA amounted to EUR 62,210 thousand, representing 2.7% of sales. The recognition of initially unrecoverable direct and indirect costs in the projects led to a drop in EBITDA of approximately EUR 35,000 thousand.

This entire analysis was conducted on the basis of a detailed study of the Group's contracts with its customers, which for the most part do not include force majeure clauses and, therefore, do not involve immediate compensation for the event that occurred. However, future negotiations may give rise to compensation, and the related income would be recognised when it were highly probable that it would be converted into cash.

2. Impact on the market and the environment

In the period from mid-March 2020 to date tendering activity has decreased in most countries, and in the case of the OHL Group, the calls for tender organised in 2020 were down -16.0% from those organised in 2019.

However, the contracts won at December 2020 totalled EUR 2,760,749 thousand, as compared with EUR 2,667,746 thousand in 2019, and it should be noted that the Construction contracts achieved, despite covid-19, amounted to EUR 2,359,447 thousand, of which 57.4% corresponds to the US, which has been less affected in this regard by the pandemic, and the remaining 43% to Europe LatAm. In 2019 contracts worth EUR 2,117,494 thousand were won, of which 33% corresponded to the US and the remaining 67% to Europe LatAm. This highlights the impact that covid-19 had on Europe LatAm in 2020.

In addition, Industrial activity, with new contracts worth EUR 51,260 thousand obtained in 2020, saw its sales drop drastically as a result of covid-19 from the EUR 271,400 thousand of new contracts won in 2019.

However, should the measures being established worldwide to reactivate the economy give rise to greater investment activity, this difference will foreseeably be recovered in 2021, above all in the Construction and Industrial businesses and in Europe LatAm.

In the case of Services, the freezing of administrative periods resulting from the declaration of the state of emergency led to the suspension of around 85% of tender processes until April, a figure which fell to 18% in May, although in June the processes were fully resumed. However, because Services is considered to be an essential activity, it landed new contracts worth EUR 332,946 thousand in 2020, up 25.6% on the figure achieved in 2019, following the effect of this initial freeze.

3. Employment-related impacts

One of the OHL Group's main concerns in this period was to ensure the safety of all the Group's employees and, in this connection, preventive measures were adopted at all its workplaces, with remote working encouraged to the extent possible. This remote working experience, which is novel in our industry, tested the organisation's ability to face up to this situation and was very positive in all respects.

Of particular note is the situation in Spain, where on 23 March 2020 the management teams of OHL, OHL Industrial, OHL Industrial Mining&Cement, Sobrino, Sato, Elsan, EyM and G&O communicated their decision to initiate a furlough-type arrangement (Spanish ERTE) to collectively suspend employment contracts and reduce working hours, due to objective causes of an economic, organisational and production-related nature.

For this purpose, a period of consultation was held with workers' representatives and the principal trade unions and an agreement was reached in relation to the ERTE, the main terms of which were as follows:

- Temporary layoffs and reduction of working hours (between 30% and 70%) in the period from 15 April 2020 to 14 July 2020, inclusive.

- Persons affected: all workers -both core and production personnel- at the affected workplaces (the overwhelming majority, except for those at which an "essential" activity was carried out), with up to 1,313 potentially affected workers across all the affected companies.

- Establishment of the criteria to determine who was or was not affected, differentiating between core and production personnel.

- Agreement to top up unemployment benefit.

As a result of the improvement in production rates and the gradual recovery of activity, the ERTE was concluded early on 1 July 2020; in total, 772 workers were affected, across all the companies, at various levels, to various extents and for differing amounts of time.

With respect to the activities provided by OHL Servicios, from an employment standpoint two situations arose with different regulatory solutions, depending on the private or public sector nature of the contract. Therefore:

- Public sector contracts: for a great majority of these contracts, the Group continued to provide services, as the activities were classified as essential, the problem being the lack of staff available to meet the demand (hospital cleaning and maintenance and management of residences) and ensuring the supply of PPE (personal protective equipment), with occupational inspections taking place in relation to various home help contracts, for which requirements were enforced, although at the reporting date no infringements had been reported. .

  For public sector contracts in which the service could not be provided, the Group opted to avail itself of the compensation mechanism established by the Spanish Government in Article 34 of Royal Decree 8/2020, of 17 March, avoiding layoff measures in order not to jeopardise the Group's right to be compensated pursuant to the aforementioned Article. These amounts of compensation are being processed with the various customers.

- Private sector contracts: in most of these contracts the customer suspended the service, and workforce adjustment measures had to be urgently implemented in order to avoid cost overruns.

Specifically, 31 ERTEs were processed (24 due to force majeure and 7 due to production-related causes), which affected 40 contracts and 469 workers. These measures mitigated the economic effects of the aforementioned decrease in activity.

4. Impact on liquidity

The general situation in the markets caused an increase in liquidity constraints in the economy, as well as a contraction of the credit market, a situation to which the OHL Group has not been immune, despite the economic measures adopted to mitigate the effects of the pandemic which, to date, have not been fully effective at national or international level.

In order to mitigate these constraints, on 30 April the Group entered into a financing agreement with a guarantee from the State (ICO) for EUR 140,000 thousand maturing on 30 October 2021, which was subsequently novated; the current limit is EUR 130,331 thousand after an early repayment was made. At 31 December 2020, the drawable balance of this financing totalled EUR 35,000 thousand, and this amount is expected to be drawn down in the short term.

Also, the directors carried out a transaction **to strengthen the Group's balance sheet, which includes an injection of capital to the Parent of the Group and the renegotiation of the terms of the current bond issues** (see Notes 4.2.1. and 5).

5. Impact on the measurement of assets and liabilities

A change in the future estimates of the Group's new contracts, fixed and variable costs and borrowing costs could have an adverse impact on the carrying amount of certain assets and on the need to recognise certain provisions or other types of liabilities.

In this regard, the Group carried out a study and assessment of the assumptions in the economic models of its main assets (Canalejas Project and Old War Office).

In relation to the Canalejas Project, as it is a unique asset, once the hotel opened in September 2020, as well as some luxury restaurants, and with the opening of the shopping centre scheduled for either 2021 or 2022, the recoverable amount of the financial investment was reassessed. Due to the delay in opening and other factors, the investment has been greater than initially envisaged, as a result of which, given the current circumstances of lower occupancy and despite a notable increase in occupancy being forecast for 2021 (due to the luxury status of this establishment), the Group considered it necessary to recognise an impairment loss of EUR (25,600) thousand, which is considered to be a direct consequence of the pandemic that is affecting the real estate and tourism industries in Spain.

In 2021 the Group will continue to exhaustively monitor the projected business plan in order to reassess the recoverable amount of this important Group asset.

With respect to the financial interest in the Old War Office, at 31 December 2019 the Group recognised an adjustment of EUR (47,600) thousand to its carrying amount, based on the enhanced estimates of the fair value of the project based on offers received for the ownership interest held by the Group. At the reporting date the Group had not observed any indication that these offers were outside the market range and, accordingly, the carrying amount was left unchanged.

Based on the best information available to date, no indications of impairment of the rest of the Group's fixed and operating assets had been identified at 2020 year-end, except as indicated in Note 3.22.

Basis of consolidation

Subsidiaries

Subsidiaries are defined as companies over which the Parent has the capacity to exercise control; control is presumed to exist 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.

Pursuant to IFRS 10, Consolidated Financial Statements, the Parent controls an investee if and only if it has all of the following:

- Power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect the amount of its returns.

The financial statements of the subsidiaries are fully consolidated with those of the Parent, and the interest of non-controlling shareholders, if any, is recognised under "Non-Controlling Interests" in the consolidated balance sheet and "(Profit) Loss from Continuing Operations Attributable to Non Controlling Interests" in the consolidated statement of profit or loss.

Additionally, the results on intragroup transactions are eliminated and are deferred until they are realised vis-à-vis non-Group third parties, with the exception of those relating to construction work performed for concession operators which, in accordance with IFRIC 12, are identified as results on transactions with non-Group companies and, accordingly, are 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 by the Group to joint operations are recognised in the consolidated balance sheet classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint operations is recognised in the consolidated statement of profit or loss on the basis of the nature of the related items.

Joint ventures

A joint venture is an 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 rather have rights to the net assets relating to the arrangement.

In the consolidated financial statements, interests in joint ventures are accounted for using the equity method.

Associates

Associates are companies over which the Parent is in a position to exercise significant influence, but not control or joint control with other shareholders.

In the consolidated financial statements, investments in associates are accounted for using the equity method.

Scope of consolidation

The most significant companies included in the scope of consolidation at 31 December 2020 are detailed in Appendix I.

detailed in Appendix I.

The activities, registered offices and equity of, and the net cost of the investments in, the most significant companies composing the consolidated Group are shown in Appendices II and III.

Changes in the scope of consolidation

The changes in the scope of consolidation in 2020 were as follows:

Exclusions	No. of companies
Full consolidation	3
Equity method	1
Total exclusions	**4**

Inclusions	No. of companies
Full consolidation	-
Equity method	1
Total inclusions	**1**

None of the aforementioned exclusions or inclusions had a significant impact on the Group in 2020.

The detail of the companies included in, or excluded from, the scope of consolidation and of the reasons therefor is disclosed in Appendix IV.

Accounting policies

The accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2020 were as follows:

INTANGIBLE ASSETS

Intangible assets are recognised initially at acquisition or production cost.

They are subsequently measured at acquisition or production cost less any accumulated amortisation and any accumulated impairment losses.

"Intangible Assets" includes the 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.

It also includes development expenditure, which is capitalised if it meets the requirements of identifiability, reliability in the measurement of cost and high probability that the assets created will generate economic benefits. This expenditure is amortised on a straight-line basis over the useful life of the asset created

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Also, in accordance with IFRS 3, all the assets of a business combination, including intangible assets, regardless of whether or not they had been previously recognised in the acquiree's balance sheet, are measured at fair value, provided that they meet certain identifiability and separability criteria. In this regard, this line item includes the amount relating to the measurement of the acquisition-date fair value of the backlog and the customer portfolio of the acquirees, taking as a reference the projected margins after taxes, projected expenditure and the term of the contracts. The amount relating to the backlog will be amortised over the residual term of the contracts and that relating to the customer portfolio will be amortised over the estimated average useful life thereof.

At the end of each reporting period an analysis is conducted to ascertain whether the goodwill allocated to the client base of the US companies has become impaired, using cash flow projections, which at 2019 year-end were discounted at a rate of 9%.

CONCESSION INFRASTRUCTURE

Concession infrastructure includes investments made by the Group companies that are infrastructure concession operators, which are accounted for in accordance with IFRIC 12, Service Concession Arrangements.

IFRIC 12 relates to the accounting of private sector operators involved in providing infrastructure assets and services to the public sector. This interpretation establishes that in concession arrangements, the operator must not recognise the infrastructure assets as property, plant and equipment but must instead classify the assets as intangible assets or financial assets.

Concession infrastructure classified as an intangible asset

AAn intangible asset arises 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, in which the operator's future cash flows have not been specified, since they may vary on the basis of the extent that the asset is used, for which reason they are considered to be contingent. In these cases the demand risk is borne by the concession operator and, accordingly, the concession is considered to be an intangible asset.

The intangible asset is measured at the fair value of the service provided, equal to the total payments made for its construction, including the construction costs incurred up to entry into service, such as studies and designs, compulsory purchases and costs of restoration of infrastructure, facilities and other similar items.

The intangible asset also includes borrowing costs incurred prior to the entry into service of the concession.

The concession infrastructure recognised as an intangible asset is amortised on the basis of the pattern of consumption (traffic) of these concession assets during the term of the concession only.

The contractual obligations to restore the infrastructure to a specified level of serviceability, pursuant to the terms and conditions of the licences or services, before it is handed over to the grantor in a specified condition at the end of the period of the concession arrangement, are covered by the recognition of provisions for major maintenance work. These provisions are recognised under "Non Current Liabilities - Provisions" in the consolidated balance sheet.

The grants financing the infrastructure are recognised as "Non-Current Liabilities - Other Financial Liabilities" until the conditions attaching to them have been fulfilled. At that time they are deducted from the cost of the infrastructure.

Concession infrastructure classified as a financial asset

SoThese are assets recognised by the concession operators, which represent the rights to operate administrative concessions and the unconditional contractual right to receive cash or another financial asset associated with certain concession arrangements where the demand risk is borne by the concession grantor.

The financial asset arises when an operator constructs or upgrades infrastructure and has an unconditional contractual right to receive a specified amount of cash or another financial asset over the term of the arrangement. This asset is subsequently measured at amortised cost, based on the best estimates of the flows to be received over the term of the concession, and the accrued interest, calculated using the effective interest rate method, on the expected cash inflows and outflows of the concession is recognised as "Other Operating Income" in the consolidated statement of profit or loss, since it is considered that these cash flows relate to the operating activities of the concessions.

All actions taken in relation to the concession infrastructure, such as maintenance and replacements, give rise to revenue from services which is recognised under "Other Operating Income" in the consolidated statement of profit or loss.

The operating expenses incurred by the companies are accounted for on an accrual basis in the consolidated statement of profit or loss, giving rise to the recognition of revenue from services under "Other Operating Income".

The value of the financial asset is increased by the construction services and the effective interest rate, and reduced by the associated net revenue.

If there are significant changes in the estimates which are indicative of a material change in the effective interest rate applicable to the concession arrangement, the Group assesses the carrying amount of the financial asset and adjusts it prospectively, recognising the corresponding impairment loss if the net present value of the cash flows to be received over the concession term is lower than the carrying amount of the financial asset.

PROPERTY, PLANT AND EQUIPMENT

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

The costs of expansion, modernisation or improvements leading to increased productivity, capacity or efficiency or to a lengthening of the useful lives of the assets are capitalised.

Repairs that do not lead to a lengthening of the useful life of the assets and maintenance costs are charged to the consolidated statement of profit or loss for the year in which they are incurred.

The Group capitalises interest during the non-current asset construction period as indicated in Note 2.6.17.

Group work on non-current assets is recognised at accumulated cost (external costs plus in-house costs, determined on the basis of in-house consumption of warehouse materials and manufacturing costs allocated using hourly absorption rates similar to those used for inventory measurement).

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 has 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:

Concept	Years of useful life
Buildings	25-50
Machinery	6-16
Other fixtures, tools and furniture	10
Other items of 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 the same nature.

At the end of each reporting period, the consolidated companies assess whether there is any internal or external indication that the carrying amounts of their property, plant and equipment items exceed their recoverable amounts, i.e., the higher of the net amount which could be obtained if they were sold and the present value of the cash flows. If any such indication exists, the carrying amount of the assets is reduced to the recoverable amount and the future depreciation charges in the consolidated statement of profit or loss are adjusted in proportion to the adjusted carrying amounts and new useful lives.

Similarly, when there are indications that the value of the assets has recovered, the consolidated companies recognise the reversal of the impairment losses recognised in prior periods and adjust the depreciation charges in future consolidated statements of profit or loss up to a maximum of the original cost of the related asset.

INVESTMENT PROPERTY

"Investment Property" in the accompanying consolidated balance sheet reflects the values of the land, buildings and other structures held either to earn rentals or for capital appreciation.

Land is measured at acquisition 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. They 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 period until the properties are ready for sale and are treated as an addition to the value 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, which is when the rights and obligations inherent thereto are transferred. Rental income is allocated to the consolidated statement of profit or loss on an accrual basis.

In leases, expenses are recognised on an accrual basis and all maintenance, management and impairment costs relating to the leased assets are charged to income.

At the end of each reporting period, the Group analyses whether the carrying amount of investment property exceeds fair value and, if so, it makes the appropriate valuation adjustment in the consolidated statement of profit or loss by recognising an impairment loss to reduce the carrying amount to fair value.

GOODWILL

Any excess of the costs of acquisition of an investment in a company over its underlying carrying amount is allocated to certain assets and liabilities on consolidation.

This excess is allocated as follows:

1. If it is attributable to specific assets and liabilities of the company acquired, increasing the value of the assets acquired or reducing the value of the liabilities assumed.

2. If it is attributable to specific intangible assets, recognising it explicitly in the consolidated balance sheet.

3. Any remaining amount is recognised as goodwill on the asset side of the consolidated balance sheet.

At the end of each reporting period an analysis is conducted to ascertain whether this goodwill has suffered impairment and, if so, it is adjusted to its fair value with a charge to the consolidated statement of profit or loss.

An impairment loss recognised for goodwill must 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 amounts of their assets exceed their recoverable amounts, i.e., the higher of the net amount which could be obtained if they were sold and the present value of the cash flows. If any such indication exists, the carrying amount of the assets is reduced to the recoverable amount and the future depreciation and amortisation charges in the consolidated statement of profit or loss are adjusted in proportion to the adjusted carrying amounts and new useful lives.

The indications of impairment considered for these purposes are, inter alia, operating losses or negative cash flows during the period if they are combined with a track record or projections of losses, decline in value and depreciation/amortisation taken to profit or loss, which, in percentage terms, in relation to revenue, are substantially higher than those from previous years, effects of obsolescence, reduction in the demand for the services provided, competition and other economic and legal factors.

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

Similarly, when there are indications that the value of the assets has recovered, the consolidated companies recognise the reversal of the impairment losses recognised in prior periods and adjust the depreciation and amortisation charges in future consolidated statements of profit or loss up to a maximum of the original cost of the related 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 specific risks associated with 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 main variables considered are the estimate of revenue to be received over the concession term and the estimate of the operating and maintenance expenses.

Investment property

At the end of each reporting period, analyses are conducted to determine whether the carrying amount of investment property exceeds fair value and, if this is the case, the appropriate valuation adjustment is made in the consolidated statement of profit or loss by recognising an impairment loss to reduce the carrying amount to fair value.

Appraisals are commissioned from external valuers or the latest appraisals made are used as a reference to determine market value.

An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

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

Goodwill

The cash flow projections used to calculate goodwill were based on the following assumptions:

- The maintenance over time of a short-term backlog measured in months of sales.
- Projected cash flows for three years.
- Annual growth rate of approximately 2% for the coming years.

Any impairment is recognised where the carrying amount exceeds the recoverable amount, calculated as the present value of the cash flows. No indications of impairment were identified in this connection in 2020.

FINANCIAL ASSETS

These are assets representing collection rights for the Group as a result of investments or loans. These rights are classified as current or non-current on the basis of 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 recognising and measuring financial assets and financial liabilities.

Worthy of particular mention is the change which affects the classification and measurement of financial assets, whereby the method of measurement is determined on the basis of two concepts: 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 indicated above, the Group's financial assets are mainly assets held to maturity and for which the cash flows are solely payments of principal and interest and, therefore, based on these characteristics, the financial assets are measured at amortised cost.

Also, pursuant to IFRS 9 the Group has recognised 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 certain percentages reflecting the expected credit losses based on the credit profile of the counterparty are applied to the balances of all the financial assets. These percentages reflect the probability of default occurring on the payment obligations and the percentage of the loss, which, once the default occurs, is ultimately uncollectible. If a significant increase in credit risk since initial recognition is identified, the expected loss is calculated taking into account the lifetime expected credit losses.

The Group applies the simplified approach to trade and other receivables, including contract assets. In order to calculate the expected credit losses, an average rating of the customers is obtained by activity and geographical region; on the basis of this rating, the Group obtains percentages to be applied 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, specific analyses of the counterparty's rating are conducted, even using valuations performed by independent experts where necessary.

If the customer were to enter into insolvency, claim or non-payment proceedings, a default would be deemed to have occurred and an allowance would be recognised in order to reduce the related balance receivable to zero. For this purpose, the Group has established periods by type of customer that determine the default and, consequently, the recognition of the related allowance.

TRANSFERS OF FINANCIAL ASSETS AND DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

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

Financial assets are only derecognised when they are realised or when the Group transfers substantially all the risks and rewards of ownership and control thereover to third parties.

Financial liabilities are only derecognised when the obligations giving rise to them cease to exist.

NON-CURRENT ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

In accordance with IFRS 5, Non-Current Assets Classified as Held for Sale and Discontinued Operations, assets and liabilities are classified as non-current assets and liabilities held for sale when their carrying amount is expected to be recovered basically through a sale transaction rather than through continuing use.

The asset must be available for immediate sale, subject only to terms that are usual and customary for sales of such assets and liabilities, and its sale must be highly probable. The sale is considered 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. Also, the sale must be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are not depreciated, but rather are measured at the lower of consolidated carrying amount and fair value less costs of disposal.

INVENTORIES

“Inventories” in the consolidated balance sheet includes the assets that the consolidated companies:

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

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

Net realisable value is the estimated selling price less all the costs required to complete the production of inventories and to sell them.

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 CURRENCY

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

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

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

- Transactions performed during the year in currencies other than the functional currency are translated at the exchange rates prevailing at the date of the transaction.

- Monetary asset and liability balances denominated in currencies other than the functional currency (cash and items with no loss of value when converted to cash) are translated at the year-end exchange rates.

- Non-monetary asset and liability balances denominated in currencies other than the functional currency are translated at the historical exchange rates.

Exchange gains and losses are recognised in the consolidated statement of profit or loss.

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

- Assets and liabilities are translated at the exchange rates prevailing at the reporting date.

- Income and expense items are translated at the average exchange rates for the period.

- Equity is translated at the historical exchange rates.

Any exchange differences arising from the consolidation of companies with a functional currency other than the euro are classified in the consolidated balance sheet as translation differences under **"Equity - Valuation Adjustments".**

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

BANK BORROWINGS, DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

Bank borrowings, debt instruments and other marketable securities are measured at the amount received, net of direct issue costs, plus the accrued interest payable at year-end. 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 the income received to the present value of future disbursements.

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

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGES

In order to mitigate the economic effects of exchange rate and interest rate fluctuations to which the Group is exposed as a result of its business activities, the Group uses derivative financial instruments, such as foreign currency hedges, interest rate swaps and interest rate options.

The foreign currency hedges and interest rate swaps are future exchange commitments, on the basis of which the Group and banks agree to exchange interest payments or currencies in the future. In the case of an interest rate derivative, the commitment is to pay a fixed interest rate in exchange for receiving a floating interest rate. In the case of a foreign currency derivative, the commitment is to pay or receive a given amount of euros in exchange for a given amount in another currency. In the case of the equity swap 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. The Group acquires the right to receive interest on the interest rate options arranged if the interest rate exceeds the reference level initially established with the banks, in exchange for paying a given amount to these banks at the beginning of the transaction.

When the Group arranges a derivative, it does not do so with the intention of settling it early or trading with it. The Group does not use derivatives for speculative purposes, but rather to mitigate the economic effects that may arise from its foreign trade and financing activities due to exchange and interest rate fluctuations.

Derivatives are recognised at their fair value under "Other Financial Assets" or "Other Financial Liabilities" in the consolidated balance sheet.

Fair value is the net amount that the Group would have to pay or receive if the derivative were settled at the measurement date, and is equal to the difference between the present value of the future collections and payments agreed on by the Group and banks under the terms of the derivative arranged. The fair value of the options arranged is the same as the amount which the Group would receive in the event of settling them and is determined using a widely accepted pricing model (the Black-Scholes model).

IFRS 13, Fair Value Measurement has changed the definition of fair value and confirms that own credit risk must be taken into account when measuring fair value. Since 1 January 2013, this adjustment to the measurement of derivatives has been 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 liabilities gives rise to a change in equity if the derivative qualifies for hedge accounting. The change in equity is recognised directly through **“Equity - Valuation Adjustments”** in the consolidated balance sheet and indirectly through **"Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value"** or **"Result 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; in the case of foreign currency derivatives, as a result of changes in exchange rates; in the case of equity-based derivatives, as a result of changes in the share price; and in the case of interest rate options, as a result of changes in the volatility of interest rates.

Only certain derivatives can be considered to qualify for hedge accounting.

The requirements that must be met for a derivative to be considered as a hedge are as follows:

- The underlying in relation to which the derivative is arranged to mitigate the economic effects that might arise therefrom as a result of fluctuations in exchange rates and interest rates must initially be identified.

- When the derivative is arranged, the reason for which it was arranged must be appropriately documented and the hedged risk must be identified.

- It must be demonstrated that the hedge is effective from the date of the arrangement of the derivative to the date of 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, under the relevant standards changes in fair value are recognised directly in equity or indirectly through profit or loss on the basis of the type of hedged risk concerned.

Cash flow hedges

A derivative arranged to hedge against exposure to future variability in the expected cash flows in a foreign currency transaction as a result of exchange rate fluctuations can be considered to be a cash flow hedge. The same is true of a derivative arranged to hedge against exposure to future variability in the expected cash flows in floating-rate financing as a result of interest rate fluctuations.

The portion of the gain or loss on a hedging instrument whose purpose is to act as a cash flow hedge of an underlying and which is determined to be an effective hedge is recognised under **"Equity Valuation Adjustments"**, and the ineffective portion of the gain or loss 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 gains or losses on the hedged risk of the underlying also start to be reflected in profit or loss.

Hedges of net investments in foreign operations

When a derivative or another hedging instrument is used to hedge against exchange rate fluctuations 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 a similar fashion to those on cash flow hedges. The only difference is that the accumulated amounts under **"Equity - Valuation Adjustments"** are not recognised in the consolidated statement of profit or loss until the investment is sold.

Fair value hedges

Fair value hedges arise when a derivative is arranged to convert financing at a fixed interest rate into financing at a floating interest rate in order to tie a portion of the financing to interest rate changes and, therefore, to the performance of the market.

Fair value hedges also arise when a derivative is arranged to hedge the possible future changes in the equivalent euro value of firm commitments to collect or pay certain amounts in foreign currency due to exchange rate fluctuations.

When the purpose of the hedging derivative is to act as a fair value hedge, gains or losses on the derivative and its underlying are recognised through 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 covered by them will have to be settled.

Contingent liabilities are not recognised in the consolidated financial statements, but rather are disclosed, as required by IAS 37 (see Note 4.6.2.).

Provisions are classified as short-term or long-term provisions based on the estimated period of time in which the obligations covered by them will have to be settled.

The most significant provisions are:

Provisions for taxes

These provisions reflect the estimate of tax debts whose payment is uncertain as to its exact amount or timing, since this depends on whether or not certain conditions are met.

Provisions for litigation and third-party liability

These provisions are recognised in order to cater for the possible adverse economic effects that might arise from the litigation and claims against the Group arising in the ordinary course of its operations (see Note 4.6.2.).

Provisions for construction work completion

These provisions relate to the amount incurred 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 are accrued over the construction period on the basis of production volumes.

Other provisions for commercial transactions

"Other Provisions for Commercial Transactions", which correspond 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, retirement or refurbishment of non-current assets

In accordance with IFRIC 12, provisions are recognised for the estimated expenditure required to carry out maintenance work spanning 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 the work has been completed.

Provisions for future losses

These provisions are recognised as soon as it becomes evident that the total envisaged expenses to be incurred in a contract exceed total expected contract revenue.

REVENUE RECOGNITION

In order to recognise revenue uniformly 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 in recognising revenue requires the identification of the nature of the contract and the performance obligations it contains. Generally, in the case of the Construction, Industrial and Services activities, the Group satisfies its performance obligations over time, on the basis that the customer simultaneously receives and consumes the benefits as the service is provided.

In relation to the recognition of revenue over time, the Group has clear criteria applied consistently to the Construction and Industrial activities for similar performance obligations. In this connection, the Group measures the value of the goods and services for which control is transferred to the customer over time in accordance with the input method, or "stage of completion measured in terms of costs incurred". In accordance with this method, the Group recognises revenue based on the costs incurred with respect to the total costs expected to be incurred. This method requires the measurement of the proportion of the costs incurred at the date of measurement with respect to the total budgeted costs and, therefore, in this case revenue and margins are recognised in proportion to the total expected revenue and margins.

In the case of maintenance or cleaning services of the Services Division, the revenue recognition method applied by the Group is based on the time elapsed (the "time elapsed" output method). Under this method, revenue is recognised on a straight-line basis over the term of the contract 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 work, 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 such 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 the amount with respect to which it is highly probable that a significant reversal will not occur. The costs of producing these units are recognised when they are incurred, irrespective of whether or not the modification has been approved.

A claim is a request for indemnity made to the customer. For these claims, the Group applies the aforementioned method used in the case of modifications.

A dispute is the result of a discrepancy resulting from a claim made to the customer within the framework of the 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). In this connection, revenue relating to disputes is not recognised, since the dispute demonstrates the absence of the customer's approval of the work completed.

iii. Balance sheet line items relating 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. In the case of contracts in which the transfer of goods or services to the customer is more than the amount certified, the difference is recognised in an asset account called "Amounts to be Billed for Work Performed" under "Trade Receivables for Sales and Services", whereas in contracts in which the transfer of goods or services is less than the amount certified by the customer, the difference is recognised under "Trade and Other Payables" on the liability side of the consolidated balance sheet.

Costs to obtain and fulfil contracts

The Group recognises assets relating to the costs of obtaining a contract (bid costs) and to the costs incurred to fulfil 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 only capitalised 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. They are 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 are capitalised if they are expected to be recovered and they do not include expenses 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 construction contract completion and provisions for budgeted losses.

Provisions for construction contract completion: These cover the expenses expected to be incurred on completion of a contract. These provisions relate to a present obligation stipulated in the contract that is based on the fact that in order to settle the obligation there will probably be an outflow of resources from the company 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 revenue from the contract if historical information on similar contracts is available.

Provisions for budgeted losses: These provisions are recognised as soon as it becomes evident that the total envisaged expenses to be incurred in a contract exceed total expected contract revenue and they are included in the estimate of the total budget for the contract.

v. Financial component

In the case of 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 IFRS 15 and does not adjust the promised amount of consideration for the effects of a significant financing component.

In cases in which 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 only recognised when it is highly probable that it will actually be collected.

LEASES AND RIGHTS OF USE

In accordance with IFRS 16, which became effective on 1 January 2019, leases of property, plant and equipment the term of which exceeds one year and the value of which is significant 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.

The right of use relating to leased assets and the interest associated therewith represent the right to use the asset in question and the obligation to make payments by virtue of the lease, respectively.

Right-of-use assets relating to leases 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 received; and
- Any initial direct costs.

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

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

The lease payments are discounted using the lessee's incremental borrowing rate, this being the rate 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 based 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 adjusted against the right-of-use asset.

The lease payments are apportioned between principal portion and the interest portion. The interest portion 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 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 is reasonably certain to exercise this option, the corresponding extension period or early termination will also be considered.

The lease term is reassessed if an option is actually exercised (or not exercised), or the Group becomes required to exercise it (or not to exercise it). Reasonable assurance is only reassessed upon the occurrence of either an 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 assets that necessarily take a substantial period of time to get ready for their intended use or sale are added directly to the cost of those assets, until such time as the assets 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

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

Deferred tax assets and liabilities are the taxes expected to be recoverable or payable on differences between the carrying amounts of assets and 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 2020, most of the Spanish Group companies were being taxed under the consolidated tax regime and, accordingly, the income tax expense recognised in the consolidated statement of profit or loss relates to the sum of the tax expense of the consolidated tax group companies and that of the companies not forming part of the consolidated tax group, which are mainly the foreign companies.

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 balance sheet, and is presented with comparable figures for two consecutive periods.

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

- **Cash flows from operating activities:** the principal revenue-producing activities of the Group companies 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 generate cash flows are transferred out of "Cash Flows from Operating Activities" through "Other Adjustments to the Loss before Tax".

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

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

  Interest received may be classified as cash flows from operating activities or investing activities. The Group chose to classify it as cash flows from investing activities.

- **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 property, plant and equipment leases with a term of more than one year and of a significant value.

  Interest paid may be classified as cash flows from operating activities or financing activities. The Group elected to classify interest paid as cash flows from financing activities.

TRADE AND OTHER PAYABLES

The Group has entered into reverse factoring arrangements with various banks in order to facilitate early payment to its 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 change the principal terms and conditions of payment to suppliers, such as the term or amount and, accordingly, the related amounts continue to be classified as trade payables.

At 31 December 2020, the reverse factoring balance under **“Trade and Other Payables”** related mainly to UTEs and amounted to EUR 3,324 thousand (31 December 2019: EUR 14,755 thousand).

TERMINATION AND POST-EMPLOYMENT BENEFITS

The termination benefits that have to be paid to employees pursuant to the legislation applicable to each Group company are charged to the consolidated statement of profit or loss in the year in which they are paid.

If the Group were to establish 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 consolidated financial statements

Intangible assets

The changes in "Intangible Assets" in the consolidated balance sheets in 2020 and 2019 were as follows:

Thousands of euros

Cost	
Balances at 1 January 2019	**463,305**
Additions and disposals due to changes in the scope of consolidation	-
Additions	1,915
Disposals	(3,195)
Transfers and other	-
Exchange differences	5,772
Balances at 31 December 2019	**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)
Balances at 31 December 2020	**439,849**
Accumulated amortisation and impairment losses	
Balances at 1 January 2019	**254,327**
Additions and disposals due to changes in the scope of consolidation	-
Additions	24,161
Disposals	(2,472)
Impairment losses	-
Transfers and other	-
Exchange differences	2,674
Balances at 31 December 2019	**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)
Balances at 31 December 2020	**283,607**
Net balances at 31 December 2019	**189,107**
Net balances at 31 December 2020	**156,242**

“Intangible Assets" includes mainly the values assigned on consolidation to the customer portfolio and backlog of the acquirees, which at 31 December 2020 amounted to EUR 147,767 thousand (net) (31 December 2019: EUR 177,713 thousand (net)).

Intangible assets with a gross cost of EUR 53,411 thousand had been fully amortised and were still in use at 31 December 2020 (31 December 2019: EUR 53,414 thousand).

At the end of each reporting period or whenever there are indications of impairment, the Group tests the assets for impairment to determine whether the recoverable amount of the values assigned to the customer portfolio and backlog has been reduced to below their carrying amount.

Recoverable amount is the higher of carrying amount and value in use.

To determine the recoverable amount, the Group prepares projections on the basis of past experience and of 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 on the basis of assumptions regarding changes 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 principal assumptions used in preparing these projections consisted of estimated revenue of approximately EUR 1,100 million, rising at a rate of 2.0% thereafter, and EBITDA of around 5.0% 6.0%. The results were discounted at a rate of 9%.

The foregoing did not disclose any impairment losses for the Group, and there were sufficient margins in this connection in the various sensitivity scenarios considered.

Concession infrastructure

Concession arrangements are arrangements between a concession grantor, which is generally a public sector entity, and Group companies to provide services to the public through the operation of certain assets required for the provision of the service.

The concession right generally entails a monopoly on the provision of the service granted for a specified period of time, after which, in general, the concession assets required to provide the service have to be handed over to the concession grantor.

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

The changes in "Concession Infrastructure" in the consolidated balance sheets in 2020 and 2019 were as follows:

Thousands of euros

	Intangible asset model	Financial asset model	Total
Cost			
Balances at 1 January 2019	**17,373**	**57,945**	**75,318**
Additions	5	1,721	1,726
Disposals	(2)	-	(2)
Transfers and other	(687)	-	(687)
Balances at 31 December 2019	**16,689**	**59,666**	**76,355**
Additions	1,132	1,751	2,883
Balances at 31 December 2020	**17,821**	**61,417**	**79,238**
Accumulated amortisation			
Balances at 1 January 2019	**3,147**	**-**	**3,147**
Additions	512	-	512
Transfers and other	(71)	-	(71)
Balances at 31 December 2019	**3,588**	**-**	**3,588**
Additions	521	-	521
Balances at 31 December 2020	**4,109**	**-**	**4,109**
Net balances at 31 December 2019	**13,101**	**59,666**	**72,767**
Net balances at 31 December 2020	**13,712**	**61,417**	**75,129**

The Group's fully consolidated concession operators at 31 December 2020 were as follows:

Operator	Description of concession	Country	%	Projected future investment (thousands of euros)	Remaining period (in years)
Sociedad Concesionaria Aguas de Navarra, S.A.	Navarre canal	Spain	65	35,205	24
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Law courts	Chile	100	-	5
Marina Urola, S.A.	Marina	Spain	51	-	7

At 31 December 2020, "Concession Infrastructure" included EUR 1,455 thousand relating to borrowing costs capitalised during the construction period (31 December 2019: EUR 1,100 thousand).

The breakdown, by company, of the carrying amount of "Concession Infrastructure" at 31 December 2020 is as follows:

Thousands of euros

	31/12/2020	31/12/2019
Intangible asset model		
Sociedad Concesionaria Aguas de Navarra, S.A.	12,942	12,227
Marina Urola, S.A.	733	837
Other	37	37
Total intangible asset model	**13,712**	**13,101**
Financial asset model		
Sociedad Concesionaria Aguas de Navarra, S.A.	61,417	59,666
Total financial asset model	**61,417**	**59,666**
Total	**75,129**	**72,767**

Impairment losses on concession infrastructure

At the end of each reporting period or whenever there are indications of impairment, the Group tests the assets for impairment to determine whether their recoverable amount has been reduced to below their carrying amount. Recoverable amount is the higher of fair value and value in use.

Also, sensitivity analyses were performed in various growth scenarios, particularly in relation to revenue, operating margins and the discount rates applied.

The Parent's directors consider that the tests are sensitive to their key assumptions, but these indicators are within a reasonable degree of sensitivity, which meant that no impairment losses were identified in 2020.

Generally, in order to calculate any possible impairment, the projected cash flows to be generated by the concessions are discounted.

The financial information on the companies for 2020 does not differ significantly from that considered in the projections and tests of 2019.

Based on the current information relating to the models, there are no indications of impairment and the investment will be recovered.

Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated balance sheets in 2020 and 2019 were as follows:

Thousands of euros

Concepto	Land and buildings	Machinery	Other fixtures, tools and furniture	Advances and property, plant and equipment in the course of construction	Other items of property, plant and equipment	Total
Cost						
Balances at 1 January 2019	**45,267**	**352,483**	**85,219**	**7,314**	**59,421**	**549,704**
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	-	-
Additions	37,474	29,316	3,890	12,658	15,179	98,517
Disposals	(3,568)	(30,746)	(3,187)	(9,620)	(8,502)	(55,623)
Transfers and other	-	(122)	(60)	(281)	(50)	(513)
Exchange differences	575	4,180	873	133	390	6,151
Balances at 31 December 2019	**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)
Balances at 31 December 2020	**70,772**	**319,706**	**76,343**	**2,539**	**65,973**	**535,333**
Accumulated depreciation						
Balances at 1 January 2019	**19,741**	**267,723**	**72,774**	**-**	**42,060**	**402,298**
Additions and disposals due to changes in the scope of consolidation	-	-	-	-	-	-
Additions	11,654	23,752	4,661	-	8,142	48,209
Disposals	(3,356)	(27,921)	(3,010)	-	(7,993)	(42,280)
Transfers and other	-	(33)	(40)	-	(324)	(397)
Exchange differences	255	2,629	959	-	174	4,017
Balances at 31 December 2019	**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)
Balances at 31 December 2020	**34,414**	**245,813**	**68,011**	**5**	**42,393**	**390,636**
Net balances at 31 December 2019	**51,454**	**88,961**	**11,391**	**10,204**	**24,379**	**186,389**
Net balances at 31 December 2020	**36,358**	**73,894**	**8,331**	**2,534**	**23,580**	**144,697**

At 31 December 2020, items of property, plant and equipment with a carrying amount of EUR 357 thousand (31 December 2019: EUR 383 thousand) had been mortgaged as security for loans against which EUR 87 thousand had been drawn down (31 December 2019: EUR 115 thousand) (see Note 3.18.1.).

At 31 December 2020 and 2019, there were no material amounts relating to items of property, plant and equipment that were temporarily idle or retired from active use.

The Group takes out the insurance policies required to cover the possible risks to which its property, plant and equipment might be subject.

Property, plant and equipment with a gross cost of EUR 206,014 thousand had been fully depreciated and were still in use at 31 December 2020 (31 December 2019: EUR 216,604 thousand).

At 31 December 2020 and 2019, no amount had been recognised under "Property, Plant and Equipment" relating to borrowing costs capitalised during the construction period.

Leases

The detail of the changes in 2020 in the right-of-use assets relating to leases and of the balances recognised in the consolidated balance sheets as at 31 December 2020 and 2019 is as follows:

Thousands of euros

	Land and buildings	Machinery	Other fixtures, tools and furniture	Other items of property, plant and equipment	Total
Balances at 31 December 2018	**-**	**6,133**	**184**	**908**	**7,225**
First-time application of IFRS 16 at 1 January 2019	**37,370**	**8,190**	**-**	**4,324**	**49,884**
Additions	278	10,839	-	4,093	15,210
Period depreciation charge	(8,840)	(4,128)	(86)	(2,387)	(15,441)
Disposals and other	(1)	(4,389)	(5)	42	(4,353)
Balances 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)
Balances at 31 December 2020	**15,655**	**12,443**	**19**	**8,520**	**36,637**

The Group applied the exemption from recognition to leases in which the asset is of low value and to short-term leases (expiry within 12 months).

The effect on the consolidated statement of profit or loss in 2020 associated with leases was the recognition of an asset depreciation charge of EUR 21,518 thousand and of interest expenses on the associated liabilities amounting to EUR 2,368 thousand.

Investment property

The changes in "Concession Infrastructure" in the consolidated balance sheets in 2020 and 2019 were as follows:

Thousands of euros

Balances at 31 December 2018	**10,529**
Additions and disposals due to changes in the scope of consolidation	-
Additions	-
Disposals	(525)
Exchange differences	99
Transfers	51
Balances 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)
Balances at 31 December 2020	**4,295**

At 31 December 2020, certain items of investment property with a carrying amount of EUR 164 thousand (31 December 2019: EUR 167 thousand) had been mortgaged as security for loans against which EUR 63 thousand had been drawn down (31 December 2019: EUR 79 thousand) (see Note 3.18.1.).

Goodwill

The detail of "Goodwill" in the consolidated balance sheets as at 31 December 2020 and 2019, by company giving rise to it, is as follows:

Thousands of euros

Companies giving rise to goodwill	2020	2019
Agrupación Guinovart Obras y Servicios Hispania, S.A.	2,492	2,492
Construcciones Adolfo Sobrino, S.A.	3,408	3,408
Constructora TP, S.A.C.	-	849
EyM Instalaciones, S.A.	99	99
OHL Servicios - Ingesan, S.A.U.	399	399
Total	**6,398**	**7,247**

In 2020 the Group analysed the recoverability of this goodwill based on the estimates and projections available, applying the discounted cash flow method. Following this analysis it was concluded that there were no indications of impairment, except for that allocated to Constructora TP, S.A.C.

Financial assets

Investment securities

The detail of "Investment Securities" at 31 December 2020 and 2019 is as follows:

Thousands of euros

	2020		2019	
	Non-current	**Current**	**Non-current**	**Current**
Held-to-maturity securities	279	45,132	299	33,908
Available-for-sale securities	63,897	3	63,906	3
Subtotal	**64,176**	**45,135**	**64,205**	**33,911**
Impairment losses and write-downs	(3,928)	-	(3,928)	-
Total	**60,248**	**45,135**	**60,277**	**33,911**

The amounts of investment securities classified as current relate in full to securities maturing at over 3 months and at under 12 months.

"Impairment Losses and Write-downs" includes the estimated impairment losses and write-downs that had to be recognised to write down the carrying amount of the investment securities to their fair value.

"Available-for-Sale Securities" includes mainly the amount of the investment in Cercanías Móstoles Navalcarnero, S.A., in liquidation, amounting to EUR 59,911 thousand.

There are court proceedings under way in relation to this asset, which are explained in Note 4.6.2.2.

Other receivables and deposits and guarantees given

The detail is as follows:

Thousands of euros

	2020		2019	
Concepto	**Non-current**	**Current**	**Non-current**	**Current**
Other receivables	243,063	14,701	265,718	28,215
Deposits and guarantees given	8,910	148,380	11,214	185,403
Impairment losses and write-downs	(5,322)	(13,311)	(4,956)	(18,519)
Total, net	**246,651**	**149,770**	**271,976**	**195,099**

If the loans granted to other companies pose any collection risk, an impairment loss is recognised.

At 31 December 2020, "Other Receivables" and "Deposits and Guarantees Given" included:

1. 1) A participating loan of EUR 18,587 thousand relating to Aeropistas, S.L. and Autopista Eje Aeropuerto Concesionaria Española, S.A. The recovery of this investment is conditional upon the success of the appeal

for judicial review filed by the insolvency practitioners of the investees at the Supreme Court against the resolution adopted by the Spanish Cabinet on 26 April 2019 (see Note 4.6.2.2.).

2. EUR 15,870 thousand relating to the guarantees of Cercanías Móstoles Navalcarnero, S.A. unduly executed by the Madrid Autonomous Community Government. In this regard, on 31 October 2019 a judgment was handed down by the Madrid High Court on appeal no. 231/16, relating to the fine, adjudging the resolution under which the fine was imposed to be null and void. The Madrid Autonomous Community Government filed an appeal against this judgment at the Supreme Court, although on 13 November 2020 that Court refused leave to proceed, rendering the annulment resolution final, and ordered the Madrid Autonomous Community Government to reimburse the amount of the guarantees executed plus the related interest (see Note 4.6.2.2.).).

3. Loans granted to Cercanías Móstoles Navalcarnero, S.A. amounting to EUR 125,879 thousand and EUR 2,642 thousand.

4. "Non-Current Financial Assets - Other Receivables" includes loans to associates amounting to EUR 75,050 thousand.

5. 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 that forms part of the multi-product syndicated financing agreement.

This facility, initially arranged in December 2016, has been novated several times and currently matures on 30 June 2021, provided that certain contractual conditions are met.

Impairment of Cercanías Móstoles Navalcarnero, S.A.

In relation to the financial assets associated with the investment in Cercanías Móstoles Navalcarnero, S.A., since that company is in liquidation, the Group considered the minimum recoverable amount to be the early termination value, which is estimated to exceed the carrying amount.

To calculate the early termination value, the provisions of Legislative Royal Decree 2/2000 were taken into account, which establish that in the event of termination of the concession arrangement the grantor must pay the concession operator the amounts invested for:

i. The compulsory purchase of land

ii. The construction work

iii. The acquisition of assets necessary to operate the concession.

Adicionalmente a lo anterior el Pliego de Cláusulas Administrativas Particulares In addition to the foregoing, the particular administrative specifications of this concession arrangement provide for the payment, in any event, and regardless of the ground for termination of the arrangement, of all the investments made to perform the arrangement, including those relating to construction work and installation projects, repair and major repair work, initially unforeseen construction work, and the investments to acquire and replace rolling stock, based in all cases on the level of amortisation taken.

The Group considers that the costs and amounts recognised are consistent with the foregoing items and, consequently, considers them to be recoverable.

All the foregoing supports the total carrying amount of EUR 203,574 thousand recognised by the Group, including the value of the ownership interest and other receivables, as upheld by studies conducted by independent legal and technical experts. In this regard, although there is uncertainty regarding when the liquidation will be resolved, and the ultimate amount to which the Group will be entitled, the directors consider that the latter will be higher than the carrying amount at 2020 year end.

Joint arrangements

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The investments accounted for using the equity method at 31 December 2020 and 2019 were as follows:

Thousands of euros

Companies	31/12/2020	31/12/2019
Joint ventures		
Consorcio Conpax OHL Valko, S.A.	10,751	2,943
Constructora Vespucio Oriente, S.A.	2,156	702
Health Montreal Collective CJV, L.P.	-	-
Nova Dàrsena Esportiva de Barà, S.A.	9,807	10,095
NCC - OHL Lund-Arlöv, fyra spar Handelsbolag	2,366	1,297
Rhatigan OHL Limited	1,616	402
Other	924	898
Associates		
Alse Park, S.L.	974	1,062
E.M.V. Alcalá de Henares, S.A.	161	1,948
Health Montreal Collective Limited Partnership	5,675	6,783
Nuevo Hospital de Toledo, S.A.	19,157	18,467
Proyecto Canalejas Group, S.L.	145,807	155,785
57 Whitehall Holdings S.A.R.L.	98,683	104,014
Other	(2,971)	(3,034)
Total	**295,106**	**301,362**

The changes in "Concession Infrastructure" in the consolidated balance sheets in 2020 and 2019 were as follows:

Thousands of euros

	2020	2019
Beginning balance	**301,362**	**293,403**
Increases	27,091	62,581
Share of net profit (loss) for the year from continuing operations	677	(7,032)
Share of net profit or loss for the year from discontinued operations	-	-
Decreases	(34,013)	(47,600)
Additions and disposals due to changes in the scope of consolidation	(11)	10
Transfers to non-current assets classified as held for sale	-	-
Ending balance	**295,106**	**301,362**

The most significant assets are as follows:

Canalejas (Proyecto Canalejas Group, S.L.)

At 31 December 2020, the OHL Group held an ownership interest of 50.0% in the project, amounting to EUR 145,807 thousand at year-end.

In addition, an adjustment to the value of the investment of EUR (25,600) thousand was recognised in 2020 (see Note 3.23.), based on an estimate of the cash flows that are expected to be received on the basis of the economic model of the project and considering the preferential rights that the other shareholder in the project has to the related cash flows; the assumptions in the model were updated taking into account, in particular, the effect of covid-19 on the project, which caused a delay in the opening of the Four Seasons Hotel, which ultimately commenced operations in September 2020, and which also affected the demand of the hotel due to the restrictions on mobility established in both Spain and abroad. Also, the pandemic gave rise to delays in the lessees of the Canalejas Gallery signing their leases, although the shopping centre is expected to open between the end of 2021 and the beginning of 2022.

In addition to the opening of the hotel and the car park in the complex commencing operations, it should also be noted that the sale of all the 22 Four Seasons brand homes (as well as one office) included in the complex was completed in 2020.

In any case, the Group estimates that once the uncertainties arising from covid-19 have been overcome, the value of this emblematic project should recover.

Old War Office (57 Whitehall Holdings S.A.R.L.)

OHL Desarrollos holds a 49% ownership interest in the emblematic Old War Office project in London, the carrying amount of which at 31 December 2020 was EUR 98,683 thousand.

In 2020 the Group did not make any new investments and, therefore, the change in the carrying amount of the investment with respect to 31 December 2019 was due solely to the exchange rate effect.

The project, which will consist of a luxury hotel to be operated under the Raffles brand, as well as 85 residential housing units operated under the same brand, is in the construction phase. The impact of the covid-19 crisis on London affected construction work, which had to be halted for six weeks. At the end of 2020 construction work had resumed and was progressing at a good pace.

At 31 December 2020, there were no indications that, based on bids to acquire the Group's percentage of ownership, the estimated value of the project differed from its carrying amount at 31 December 2019.

Toledo Hospital (Nuevo Hospital de Toledo, S.A.)

The Group has an ownership interest of 33.34% in this concession, the carrying amount of which at 31 December 2020 was EUR 19,157 thousand.

On 23 November 2020, the Group notified the market of its decision to sell its interest in Nuevo Hospital de Toledo, S.A. and in its operator Mantohledo, S.A.U., in which it has a holding of 100%, for an initial price of EUR 76,130 thousand (see Note 4.2.1.).

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

At 31 December 2020, the net profit of the joint ventures, in proportion to the Group's percentage of ownership, amounted to EUR 2,175 thousand.

At 31 December 2020, the net loss of the associates, in proportion to the Group's percentage of ownership, amounted to EUR (1,498) thousand.

JOINT OPERATIONS

The Group undertakes certain of its business activities by participating in contracts that are executed jointly with other non-Group venturers, mainly through UTEs and other similar entities, which are proportionately consolidated in the Group's consolidated financial statements.

Following are the main aggregates at 31 December 2020 of the joint operations, in proportion to the percentage of ownership, which the Group considers not to be material taken individually

	Thousands of euros
Non-current assets	29,665
Current assets	648,397
Non-current liabilities	9,664
Current liabilities	616,111
Revenue	665,053
Profit from operations	74,570
Profit before tax	63,142

There is no individual joint operation that is material with respect to the Group's assets, liabilities and results

Inventories

At 31 December 2020, the balance of "Inventories" amounted to EUR 86,253 thousand (31 December 2019: EUR 107,156 thousand).

Trade and other receivables

Trade receivables for sales and services

The detail of "Trade Receivables for Sales and Services" at 31 December 2020 and 2019 is

Thousands of euros

	31/12/2020	31/12/2019
Trade receivables for sales and services		
Amounts to be billed for work or services performed	368,292	399,600
Progress billings receivable	484,373	520,695
Retentions	124,732	121,915
Trade notes receivable	234	6,759
Subtotal	**977,631**	**1,048,969**
Customer advances	(417,146)	(517,372)
Total net of advances	**560,485**	**531,597**
Write-downs	(98,026)	(96,691)
Total, net	**462,459**	**434,906**

At 31 December 2020, the balance of the trade receivables had been reduced by EUR 43,349 thousand (31 December 2019: EUR 64,916 thousand) as a result of trade receivables being 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 detail of "Trade Receivables for Sales and Services" by type of customer is as follows:

Thousands of euros

	31/12/2020	31/12/2019
Spain	**327,395**	**295,344**
Public sector	**132,450**	**124,488**
Central government	21,099	10,336
Autonomous community governments	35,194	3,759
Local governments	37,719	1,559
Other agencies	38,438	108,834
Private sector	**194,945**	**170,856**
Abroad	**650,236**	**753,625**
Total	**977,631**	**1,048,969**

At 31 December 2020, 77.1% (EUR 501,293 thousand) of the total balance of "Trade Receivables for Sales and Services – Abroad" related to the public sector and 22.9% (EUR 148,943 thousand) to the private sector.

Of the balance of "Progress Billings Receivable" and "Trade Notes Receivable", totalling EUR 484,607 thousand at 31 December 2020, 63.2% (EUR 306,231 thousand) related to the public sector and 36.8% (EUR 178,376 thousand) to the private sector.

The aging of this balance is as follows:

Thousands of euros

	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**

Of the balance of "Progress Billings Receivable" and "Trade Notes Receivable", totalling EUR 527,454 thousand at 31 December 2019, 76.5% (EUR 343,727 thousand) relate to the public sector and 23.5% (EUR 183,727 thousand) to the private sector.

The aging of this balance is as follows:

Thousands of euros

	Type of customer		
Concepto	**Public sector**	**Private sector**	**Total**
0 to 90 days	247,844	77,512	325,356
91 to 180 days	13,252	9,098	22,350
181 to 360 days	17,415	3,971	21,386
More than 360 days	65,216	93,146	158,362
Total	**343,727**	**183,727**	**527,454**

The changes in the impairment allowances in 2020 and 2019 were as follows:

Thousands of euros

Balance at 31 December 2018	**(98,548)**
Allowances recognised and used	1,857
Balance at 31 December 2019	**(96,691)**
Allowances recognised and used	(1,335)
Balance at 31 December 2020	**(98,026)**

In order to determine the amount of the loss allowances, estimates are made considering any failure to meet payment obligations under the contracts and the probability of default, which are analysed for each contract and customer. At each reporting date the information is updated to determine the recoverable amount.

Other supplementary information on construction and industrial contracts under which the related revenue and costs are recognised by reference to the stage of completion

Contract revenue associated with Construction and Industrial contracts is recognised by reference to the stage of completion (see Note 2.6.15.).

As indicated in that Note, the difference between the revenue recognised and the amounts actually billed to the customer is analysed systematically on a contract-by-contract basis. If the amount billed is lower than the revenue recognised, the difference is recognised as an asset under "Trade Receivables for Sales and Services - Amounts to Be Billed for Work Performed", whereas if the amount of revenue recognised is lower than the amount billed, a liability is recognised under "Trade and Other Payables - Customer Advances - Amounts Billed in Advance for Construction Work".

Also, in certain construction contracts advances are agreed upon that are paid by the customer when work commences on the contract, the balance of which is offset against the various progress billings as the contract work is performed. This balance is recognised under "Trade and Other Payables" on the liability side of the consolidated balance sheet.

Also, in certain contracts the customer retains a portion of the price to be paid in each progress billing to guarantee the fulfilment of certain obligations under the contract. These retentions are not reimbursed until the contract is definitively settled. These balances are recognised under "Trade and Other Receivables" on the asset side of the consolidated balance sheet.

The detail of the amounts recognised in this connection at 31 December 2020 and 2019 is as follows:

Thousands of euros

	2020	2019	Difference	Change %
Amounts to be billed for work performed	359,435	380,143	(20,708)	-5.4%
Customer advances	(414,027)	(517,372)	103,345	-20.0%
Construction contracts, net	**(54,592)**	**(137,229)**	**82,637**	**-60.2%**
Retentions	124,732	121,871	2,861	2.3%
Net amount after advances and retentions	**70,140**	**(15,358)**	**85,498**	**N/A**

Other receivables

The detail of "Other Receivables" at 31 December 2020 and 2019 is as follows:

Thousands of euros

	2020			2019		
Concepto	**Gross balance**	**Write-downs**	**Net balance**	**Gross balance**	**Write-downs**	**Net balance**
Receivable from associates	134,521	(1,014)	133,507	182,643	(2,129)	180,514
Employee receivables	931	-	931	1,346	-	1,346
Tax receivables (Note 3.22.)	77,368	-	77,368	83,213	-	83,213
Sundry accounts receivable	47,159	(10,074)	37,085	45,938	(5,667)	40,271
Total	**259,979**	**(11,088)**	**248,891**	**313,140**	**(7,796)**	**305,344**

The balances receivable from associates relate mainly to transactions associated with the Group's normal business activities, which are performed on an arm's length basis.

The net balance of "Sundry Accounts Receivable" at 31 December 2020 and 2019 relates to the provision of services and leases and sales of machinery and materials.

Other current assets

"Other Current Assets" at 31 December 2020 includes mainly the following balances with related companies:

- A nominal amount of EUR 91,611 thousand (2019: EUR 88,150 thousand) relating to an account receivable from Grupo Villar Mir, S.A.U. ("GVM").

- A nominal amount of EUR 38,874 thousand (2019: EUR 37,547 thousand) relating to an account receivable from Pacadar, S.A., which bears annual interest at 5.0%.

In 2019 the Parent entered into a Settlement Agreement with GVM and Pacadar, S.A. as a result of the negotiations held with a view to ensuring the full recovery of the loans granted, which led, on the one hand, to the extension of the maturities until 30 September 2020 and, on the other, to the reinforcement of the economic terms and conditions and the terms and conditions relating to the collateral provided to the Parent, including a security interest in all the shares of Pacadar, S.A.

Prior to the maturity of the debt, the parties initiated negotiations with GVM, which included the grant of successive extensions to the initial maturity, and an agreement was reached regarding the debt repayment terms on 6 December 2020, which was formalised in a dation in payment (debt discharged by transfer in lieu of payment) and debt acknowledgement agreement executed on 27 December 2020 by the Parent, GVM and Inmobiliaria Espacio, S.A.U., and novated on 5 January 2021. The effectiveness of the agreement was subject to the obtainment of certain authorisations, including a waiver by the Parent's creditor banks, which at 31 December 2020 had not yet been received. **All the conditions precedent to which the aforementioned agreement was subject were satisfied on 24 February 2021.**

The main terms of the agreement are as follows:

i. The dation in payment of all the shares of Pacadar, whose sole shareholder was GVM, to the Parent. The amount assigned to these shares was determined on the basis of valuation reports issued by two independent valuers.

ii. The dation in payment of shares of Alse Park, S.L. representing 32.5% of its share capital owned by GVM. The value assigned to these shares was determined on the basis of a valuation report issued by an independent valuer.

iii. The acknowledgement by GVM of a debt of EUR 45,850 thousand payable to OHL divided into the following tranches: (i) a tranche of EUR 22,000 thousand maturing at five years and secured by a security interest in shares of Espacio Information Technology, S.A.; (ii) a tranche of EUR 11,000 thousand maturing at two years and secured by certain collection rights of GVM; (iii) a tranche of EUR 12,850 thousand maturing at five years, payment of which is contingent on the market value of the investment held by GVM in Ferroglobe PLC or on its sale at a specified price.

iv. The release of GVM by the Parent from its obligations as joint and several guarantor of the account payable by Pacadar to OHL arising under the Settlement Agreement.

v. The termination of the Settlement Agreement.

Based on this agreement, the Group estimated the recoverable amount of the debt acknowledged by GVM taking into account the fair value of the existing guarantees.

As a result of this estimation, the Group recognised an impairment loss of EUR 35,596 thousand at 31 December 2020 (see Note 3.23.).

As a result of the foregoing, the Parent's directors consider that the recoverable amount approximates the carrying amount.

Cash and cash equivalents

"Cash and Cash Equivalents" relates to the Group's fully liquid assets and includes cash on hand and at banks and short-term bank deposits with an original maturity of three months or less. These balances are not restricted as to their use and are not subject to a risk of changes in value. Most of the balances relate to short-term deposits.

At 31 December 2020, the balance amounted to EUR 471,014 thousand, of which EUR 163,373 thousand related to UTEs.

Share capital

The share capital of Obrascón Huarte Lain, S.A. amounts to EUR 171,928,973.4, divided into 286,548,289 shares of EUR 0.60 par value each, all of the same class and series. The shares are listed on the Madrid and Barcelona Stock Exchanges and are traded on the Spanish Stock Market Interconnection System.

The detail of the companies with a direct or indirect ownership interest of 3% or more in the share capital of Obrascón Huarte Lain, S.A. at 31 December 2020 is as follows:

Company	% of ownership
Inmobiliaria Espacio, S.A.	14.641
Luis Fernando Martín Amodio	8.000*
Julio Mauricio Martín Amodio	8.000*
Sand Grove Opportunities Master Fund Ltd.	3.949
Simon Davies	4.995

* Luis Fernando Martin Amodio and Julio Mauricio Martin Amodio have declared an agreement for the concerted exercise of their voting rights.

Share premium

The share premium balance at 31 December 2020 and 2019 amounted to EUR 1,265,300 thousand.

The Consolidated Spanish Limited Liability Companies Law expressly permits the use of the share premium account balance to increase the capital of the entities at which it is recognised and does not establish any specific restrictions as to its use.

Treasury shares

The changes in the treasury shares held in 2020 and 2019 were as follows:

	Nº. of shares	Thousands of euros
Balance at 1 January 2019	**511,811**	**370**
Treasury shares purchased	33,379,697	34,321
Treasury shares sold	(33,376,471)	(34,156)
Balance at 31 December 2019	**515,037**	**535**
Treasury shares purchased	22,615,843	18,728
Treasury shares sold	(22,530,013)	(18,857)
Balance at 31 December 2020	**600,867**	**406**

Reserves

The detail of the reserves in the consolidated balance sheets as at 31 December 2020 and 2019 is as follows:

Thousands of euros

	31/12/2020	31/12/2019
Restricted reserves of the Parent		
Legal reserve	34,386	34,386
Reserve for retired capital	11,182	11,182
Subtotal	**45,568**	**45,568**
Voluntary and consolidation reserves		
Attributable to the Parent	(604,631)	(565,632)
Attributable to the consolidated companies	(209,608)	(103,960)
Subtotal	**(814,239)**	**(669,592)**
Total	**(768,671)**	**(624,024)**

Legal reserve

Under the Spanish Limited Liability Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount. Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

At year-end the legal reserve had reached the legally required minimum.

Reserve for retired capital

The balance of "Reserve for Retired Capital" amounted to EUR 11,182 thousand at 31 December 2020 and 2019 as a result of the capital reductions performed in 2018 amounting to EUR 7,326 thousand, in 2009 amounting to EUR 2,625 thousand and in 2006 amounting to EUR 1,231 thousand, through the retirement of treasury shares, and pursuant to current legislation safeguarding the guarantee provided by equity vis-à-vis third parties.

This reserve is restricted as to its use and may only be used if the same requirements as those stipulated for capital reductions are met, i.e., the shareholders at the Annual 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 heading. Consequently, at the end of 2020 EUR 1,836 thousand of the Parent's "Share Premium" and "Other Reserves" were restricted.

Reserves of consolidated companies

At 31 December 2020, "Reserves of Consolidated Companies" amounted to EUR (209,608) thousand (31 December 2019: EUR (103,960) thousand).

Valuation adjustments

Valuation adjustments relating to hedges

The valuation adjustments relating to hedges include the amount of the changes in the fair value of financial derivatives, net of the related tax effect.

The changes in the valuation adjustments relating to hedges in 2020 and 2019 were as follows:

Thousands of euros

	2020	2019
Beginning balance	**(16,300)**	**(10,214)**
Net change in the year at fully consolidated companies	(2,069)	(2,583)
Net change in the year at companies accounted for using the equity method	3,244	(3,503)
Ending balance	**(15,125)**	**(16,300)**

Translation differences

The detail, by country, of "Translation Differences" at 31 December 2020 and 2019 is as follows:

Thousands of euros

Country	31/12/2020	31/12/2019
Saudi Arabia	1,854	4,524
Canada	(3,908)	(4,053)
Colombia	1,970	(1,922)
Mexico	(41,012)	(30,883)
Chile	1,832	(7,000)
Peru	(322)	467
UK	(1,270)	(1,256)
Czech Republic	4,001	2,928
US	(5,919)	13,941
Other countries	4,535	(3,145)
Total	**(38,239)**	**(26,399)**

Translation differences

The balance of "Non-Controlling Interests" in the consolidated balance sheet reflects the interest of non-controlling shareholders in the 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 the profit or loss.

The detail of "Non-Controlling Interests" in the consolidated balance sheets as at 31 December 2020 and 2019 is as follows:

Thousand of euros

Companies	31/12/2020	31/12/2019
Sociedad Concesionaria Aguas de Navarra, S.A.	404	1,469
Estación Rebombeo Degollado, S.A.P.I. de C.V.	(1,812)	(1,642)
Hidrógeno Cadereyta, S.A.P.I. de C.V.	(1,241)	(970)
Hidro Parsifal, S.A. de C.V.	(102)	(189)
Marina Urola, S.A.	403	425
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	(947)	(3,241)
Total	**(3,295)**	**(4,148)**

The share of the non-controlling interests in the loss for 2020 amounted to EUR 1,111 thousand (2019: (541) thousand).

The detail of the percentage of ownership and the company name of the non-controlling shareholders of the fully consolidated Group companies at 31 December 2020 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.
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.
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
Sociedad Concesionaria Aguas de Navarra, S.A.	35.0%	Sociedad General de Aguas de Barcelona, S.A.

Bank borrowings and debt instruments and other marketable securities

At 31 December 2020, the bank borrowings and debt instruments and other marketable securities amounted to EUR 749,119 thousand, and their maturities, by year, are as follows:

Thousands of euros

	2021	2022	2023	2024	2025	Resto	Total
Bank borrowings	97,827	1,635	1,851	2,047	2,153	45,165	150,679
Debt instruments and other marketable securities	8,804	321,791	267,845	-	-	-	598,440
Total	**106,631**	**323,426**	**269,696**	**2,047**	**2,153**	**45,165**	**749,119**

DEUDAS CON ENTIDADES DE CRÉDITO

El desglose de las deudas con entidades de crédito al 31 de diciembre de 2020 por años de vencimiento es el siguiente:

Thousands of euros

	2021	2022	2023	2024	2025	Subsequent years	Total
Mortgage loans	15	14	15	16	3	87	150
Loans and credit facilities	97,612	1,621	55	32	-	-	99,321
Total mortgage and other loans	**97,627**	**1,635**	**70**	**48**	**3**	**87**	**99,471**
Loans of concession operators	-	-	1,781	1,999	2,150	45,078	51,008
Total loans	**97,627**	**1,635**	**1,851**	**2,047**	**2,153**	**45,165**	**150,479**
Unmatured accrued interest payable	7	-	-	-	-	-	7
Unmatured accrued interest payable of concession operators	193	-	-	-	-	-	193
Total unmatured accrued interest payable	**200**	**-**	**-**	**-**	**-**	**-**	**200**
Total	**97,827**	**1,635**	**1,851**	**2,047**	**2,153**	**45,165**	**150,679**

At 31 December 2020, the bank borrowings hedged by interest rate derivatives represented 33.90% of the total (31 December 2019: 93.46%).

- Mortgage loans

  At 31 December 2020, certain items of property, plant and equipment amounting to EUR 357 thousand (31 December 2019: EUR 383 thousand) had been mortgaged as security for loans totalling EUR 87 thousand (31 December 2019: EUR 115 thousand).)

  At 31 December 2020, certain items of investment property amounting to EUR 164 thousand (31 December 2019: EUR 167 thousand) had been mortgaged as security for loans totalling EUR 63 thousand (31 December 2019: EUR 79 thousand).

- Loans, credit facilities and loans of concession operators

Thousands of euros

	31/12/2020	31/12/2019
Limit	252,039	95,538
Amount drawn down	**159,114**	**57,114**
Undrawn balance	92,925	38,424

The average interest rate on the amounts drawn down against the credit lines was 3.40% in 2020 (2019: 3.22%).

Most noteworthy loan transactions:

• **Loans of concession operators**

At 31 December 2020, "Loans of Concession Operators" totalled EUR 51,008 thousand and related to the loan of the concession operator Aguas de Navarra, S.A. In 2019 this loan was classified at short term due to the failure to comply with the clauses of the loan agreement. On 13 July 2020, the company completed negotiations with banks to modify certain conditions of the financing agreement and rectify the payment dates that had been missed, which enabled the loan to be reclassified as non-current in 2020.

Drawdowns against the financing were prohibited by the banks until an agreement could be reached on certain modifications to the project timetable. On 2 July 2020, the concession grantor approved a new timetable for the execution of the project, thereby lifting the restrictions on the drawability of the loan.

This loan has a limit of EUR 85,338 thousand and matures in 2038, with a grace period ending on 30 June 2023.

The debt is hedged with an interest rate derivative with a notional value of EUR 73,574 thousand at a fixed interest rate of Euribor plus 1.32%.

• **State-guaranteed bridge financing agreement**

On 30 April 2020, the Parent entered into a bridge financing agreement with a limit of EUR 140,000 thousand, which was novated on successive occasions. This agreement is secured by the ICO (Instituto de Crédito Oficial), which covers 70% of the financing, and by the shares of OHL Desarrollos, S.L.U.

Also, on 4 September the bondholders approved certain waiver agreements relating to the limitation on providing security interests to other creditors. This waiver of their rights facilitated access to an additional tranche of the ICO loan amounting to EUR 25,331 thousand.

On 13 October 2020, the limit on the total amount of the financing was reduced to EUR 130,331 thousand, following an early repayment of EUR 9,669 thousand provided for in the agreement using proceeds from the settlement of a loan that the Group had granted to Operadora Lakanh as a result of the sale of the Ciudad de Mayakoba project.

The interest rate applicable to the amounts drawn down under the bridge financing agreement will be Euribor plus 3.5% until 30 April 2021, and from 1 May 2021 until maturity (30 October 2021) the applicable spread will be 5.5%.

This is a non-renewable credit line with a maturity period of 18 months which includes the option of making early repayments with funds from the Group's potential future divestments (see Note 4.2.1.).

At 31 December 2020, EUR 95,331 thousand of this loan had been drawn down and the drawability of the other EUR 35,000 thousand was conditional upon compliance with certain contractual conditions, which are expected to be fulfilled in the short term (see Note 4.2.1.).

DEBT INSTRUMENTS AND OTHER MARKETABLE SECURITIES

The detail of "Debt instruments and Other Marketable Securities" in the consolidated balance sheets as at 31 December 2020 and 31 December 2019 is as follows:

Thousands of euros

	31/12/2020	31/12/2019
Corporate bond issues (long-term)	589,636	587,887
Corporate bond issues (short-term)	8,804	83,691
Total	**598,440**	**671,578**

The decrease in 2020 was due to the maturity on 15 March 2020 of the corporate bond issue performed in March 2012, at which date OHL, S.A. paid EUR 73,305 thousand of principal and settled the related interest.

The detail, by maturity, of the corporate bonds is as follows:

Thousands of euros

	2021	2022	2023	2024	2025	Subsequent years	Total
Corporate bond issues	8,804	321,791	267,845	-	-	-	598,440
Total	**8,804**	**321,791**	**267,845**	**-**	**-**	**-**	**598,440**

The features of the corporate bonds are as follows:

Thousands of euros

	Issuer	31/12/2020	31/12/2019	Year of final maturity	Issue currency	Market price (31/12/20)
2012	Obrascón Huarte Lain, S.A.	-	74,886	2020	Euro	-
2014	Obrascón Huarte Lain, S.A.	326,266	325,337	2022	Euro	60.81%
2015	Obrascón Huarte Lain, S.A.	272,174	271,355	2023	Euro	58.82%
Total		**598,440**	**671,578**			

The corporate bond issues were launched by the Parent in Europe. These bonds are traded on the secondary market of the London Stock Exchange.

The balances relating to the corporate bond issues include the principal, unamortised arrangement expenses and accrued interest payable at 31 December 2020.

The main changes in each of the unmatured bond issues since their launch, including the bondholders' exercise of the put option in 2018 whereby the Group redeemed its bonds by paying 101% of the face value plus the accrued coupon, were as follows:

Thousands of euros

March 2014 issue (maturity 2022)	400,000
Repurchase September 2017	(5,500)
Interest and other	626
Repurchase May 2018	(71,481)
Interest and other	808
Balance at 31 December 2018	**324,453**
Interest and other	884
Balance at 31 December 2019	**325,337**
Interest and other	929
Balance at 31 December 2020	**326,266**

Thousands of euros

March 2015 issue (maturity 2023)	325,000
Early redemption November 2015	(8,137)
Repurchase September 2017	(4,000)
Interest and other	(102)
Repurchase May 2018	(42,994)
Interest and other	814
Balance at 31 December 2018	**270,581**
Interest and other	774
Balance at 31 December 2019	**271,355**
Interest and other	819
Balance at 31 December 2020	**272,174**

The average interest rate on the bond issues was 5.15% in 2020 (2019: 5.37%).

The Parent has certain financial obligations in relation to the 2014 and 2015 issues. The Parent's directors, on the basis of advice received, consider that all these obligations envisaged in the financing agreements were being met at the end of the year.

Obrascón Huarte Lain, S.A.'s bond issues include a sale option clause for the bondholders in the event of third-party takeover of the Parent.

On 21 January 2021, an agreement was reached by the Parent's main shareholders and a group of bondholders to support a transaction to recapitalise the Parent and renegotiate the terms and conditions of the bonds. This agreement was formalised in a lock-up agreement subject to the fulfilment of certain conditions typical of arrangements of this nature, including obtainment of the consent of the Group's creditor banks (see Notes 4.2.1. and 5).

Other financial liabilities

The detail, by type of liability, of "Other Financial Liabilities" at 31 December 2020 and 31 December 2019 is as follows:te:

Thousands of euros

	31/12/2020	31/12/2019
Non-current lease liabilities	21,158	31,483
Current lease liabilities	16,862	18,170
Non-current derivative-related payables	12,644	-
Current derivative-related payables	-	8,117
Total	**50,664**	**57,770**

Lease liabilities

The detail, by maturity, of the lease liabilities at 31 December 2020 is as follows:

Thousands of euros

	2021	2022	2023	2024	2025	Resto	Total
Lease liabilities	16,862	10,724	7,709	1,880	615	230	38,020
Total	**16,862**	**10,724**	**7,709**	**1,880**	**615**	**230**	**38,020**

The main liabilities recognised at 31 December 2020 are associated with leases of office buildings and machinery.

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

The lease payments recognised at 31 December 2020 totalled EUR 24,401 thousand, and this amount was classified within the cash flows from financing activities in the consolidated statement of cash flows.

Derivative financial instruments

Foreign currency derivatives

The Group arranges currency forwards in order to avoid the economic impact that exchange rate fluctuations might have on payment obligations and collection rights in foreign currencies. There were no currency forwards in force at 31 December 2020.

Interest rate derivatives

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

In the financing of concession projects, the use of interest rate derivatives normally forms part of the requirements imposed by the financing banks. The purpose of these derivatives is to limit the possible impact that future changes in interest rates could have on the borrowing costs of the projects if the financing continued to bear interest at floating rates.

It should be noted that at 2020 year-end the Group had arranged interest rate swaps associated with the loan of the concession operator Aguas de Navarra, S.A. with a notional value of EUR 73,574 thousand at a fixed interest rate of Euribor plus 1.32% and expiring in the period up to 2039. The fair value of these derivatives at 31 December 2020 was EUR (12,327) thousand (31 December 2019: EUR 7,937 thousand), with a cumulative impact, net of tax, on equity of EUR (8,875) thousand at 2020 year-end (31 December 2019: EUR (5,714) thousand).

The changes in the fair value of these derivatives qualifying for hedge accounting were recognised mostly in reserves, although at 2020 year-end EUR 518 thousand were recognised in profit or loss under "Net Gains (Losses) on Remeasurement of Financial Instruments at Fair Value" as cases of partial hedge ineffectiveness were identified.

In the case of interest rate derivatives arranged by associates in which the Group holds ownership interests of 50% or less, the amount is recognised under "Investments Accounted for Using the Equity Method" in the consolidated balance sheet. The impact on equity at 31 December 2020 amounted to EUR (9,342) thousand (31 December 2019: EUR (12,586) thousand). The main change in the year was due to the sale of Arenales, which led to the transfer to profit or loss of the valuation adjustments relating to hedges recognised until that time amounting to EUR (5,671) thousand.

The negative impact on equity is limited, in the case of the associates in which the Group holds an ownership interest of less than 50%, to the value of the Group's ownership interest. .

Provisions

Long-term provisions

The detail of "Long-Term Provisions" at 31 December 2020 is as follows:

Thousands of euros

	Balance at 31 December 2019	Charge for	Amounts used	Exchange differences and interest cost	Balance at 31 December 2020
Provisions for taxes	6,943	-	(49)	(151)	6,743
Provisions for litigation and third-party liability	57,639	6,461	(7,451)	(1,004)	55,645
Other provisions	936	548	(134)	(28)	1,322
Total	65,518	7,009	(7,634)	(1,183)	63,710

The provisions for litigation and third-party liability arise due to the obligations of an indeterminate amount, in respect of lawsuits and/or arbitral proceedings in progress and indemnity payments.

The detail of the projected schedule of the outflows of economic benefits relating to the long-term provisions at 31 December 2020 is as follows:

Thousands of euros

Concepto	2022	2023	2024	2025	Subsequent years	Total
Provisions for taxes	2,567	-	-	-	4,176	6,743
Provisions for litigation and third-party liability	5,099	912	1,955	1,924	45,755	55,645
Other provisions	479	-	-	843	-	1,322
Total	8,145	912	1,955	2,767	49,931	63,710

Short-term provisions

The detail of "Short-Term Provisions" at 31 December 2020 is as follows:

	Balance at 31 December 2019	Additions and disposals due to changes in the scope of consolidation and reclassifications	Charge for the year	Amounts used	Exchange differences and interest cost	Balance at 31 December 2020
Provisions for project completion	47,815	-	6,728	(16,039)	(989)	37,515
Provisions for management and other fees	9,169	-	3,066	(4,274)	(294)	7,667
Provisions for other transactions	160,162	-	30,405	(24,428)	(907)	165,232
Total	217,146	-	40,199	(44,741)	(2,190)	210,414

"Provisions for Other Transactions" includes provisions for commercial transactions, which correspond primarily to the Group's construction companies, provisions for future losses that are recognised when it is certain that the contract costs will exceed the projected total 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 detail of “Other Non-Current Liabilities” and "Other Current Liabilities" in the consolidated balance sheets as at 31 December 2020 and 2019 is as follows:

Thousands of euros

	2020		2019	
	Non-current	Current	Non-current	Current
Payable to associates	-	109,025	-	121,636
Remuneration payable	-	27,889	-	30,262
Tax payables (Note 3.22.)	-	67,070	-	74,865
Other non-trade payables	12,129	14,260	14,689	28,145
Guarantees and deposits received	1,965	2,543	1,816	2,492
Other	-	201	-	53
Total	14,094	220,988	16,505	257,453

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 the other companies file individual tax returns.

Accounting for taxes

The income tax expense of the consolidated Group is obtained 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 year adjusted by temporary differences, permanent differences and prior years' 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.

Tax losses, if recognised, also give rise to deferred tax assets that do not reduce the expense for subsequent years.

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

Deferred tax assets are only recognised when there are no doubts that there will be sufficient taxable profits in the future against which to charge these temporary differences.

When the closing is performed for tax purposes each year, 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 the accounting loss to the tax loss

The reconciliation of the consolidated accounting loss for the year to the tax loss for income tax purposes is as follows:

Thousands of euros

	2020	2019
Consolidated loss for the year from continuing operations before tax	(127,121)	(121,659)
Permanent differences relating to continuing operations	39,727	6,918
Temporary differences	15,967	16,911
Offset of prior years' tax losses	(20,554)	(15,980)
Tax loss	(91,981)	(113,810)

The reconciliation of the accounting loss from continuing operations to the income tax expense for 2020 is as follows:

	2020	2019
Consolidated loss for the year from continuing operations before tax	**(127,121)**	**(121,659)**
Result of companies accounted for using the equity method, net of tax	(677)	7,032
Other permanent differences	40,404	(114)
Unrecognised tax losses offset in the year	(19,782)	(7,999)
Tax losses not recognised in the year as tax assets	175,301	195,798
Base for calculating period income tax expense	**68,125**	**73,058**
Income tax expense for the year	17,390	21,869
Tax credits and tax relief	1	-
Prior years' adjustments and other adjustments	5,598	(27)
Income tax expense relating to continuing operations	**22,989**	**21,842**

The permanent differences relate to the result of companies accounted for using the equity method EUR (677) thousand) and the remainder (EUR 40,404 thousand) relates to:

- Expenses not considered to be deductible for tax purposes such as fines and donations or finance costs exceeding 30% of profit from operations. .
- Profits or losses obtained abroad by branches and UTEs.
- The recognition and use of non-deductible provisions.

Income tax and tax rate

Income tax is calculated using the tax rates in force in each country in which the Group operates: The main rates are:

Country	2020	2019
Spain	25%	25%
Saudi Arabia	20%	20%
Algeria	26%	26%
Argentina	30%	30%
Bulgaria	10%	10%
Canada	26.7%	26.5%
Chile	27%	27%
Colombia	33%	33%
US	27%	27.0%
Kuwait	15%	15%
Mexico	30%	30%
Peru	29.5%	29.5%
Poland	19%	19%
Qatar	10%	10%
Czech Republic	19%	19%
Slovakia	21%	21%
Turkey	22%	22%

The income tax expense of EUR (22,989) thousand recognised in 2020 comprises:

- EUR (9,128) thousand relating to the tax expense recognised by the companies forming part of the Spanish tax group and to the amount corresponding to their branches abroad.
- EUR (13,861) 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 2020, EUR 1,145 thousand were recognised directly in equity in relation to the change in fair value of derivative financial instruments.

Deferred taxes and tax losses

The changes in deferred tax assets were as follows:

Thousands of euros

Balance at 1 January 2019	**262,456**
Increases	23,765
Decreases	(81,198)
Transfers	-
Balance at 31 December 2019	**205,023**
Increases	3,011
Decreases	(58,971)
Transfers	-
Balance at 31 December 2020	**149,063**

The detail of the changes in deferred tax assets in 2020 and 2019 is as follows:

Thousands of euross

	2020						
	Balance at 31/12/19	Changes in the scope of consolidation	Charge/Credit to profit or loss	Charge/Credit to equity Hedging instruments	Exchange rate effect	Transfers and other	Balance at 31/12/20
Tax assets	**118,770**	**-**	**(21,237)**	**-**	**(7,850)**	**(5,071)**	**84,612**
Tax loss carryforwards	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**

Thousands of euros

	2019						
	Balance at 31/12/18	Changes in the scope of consolidation	Charge/Credit to profit or loss	Charge/Credit to equity relating to hedging instruments	Exchange rate effect	Transfers and other	Balance at 31/12/19
Tax assets	**121,995**	**-**	**(5,199)**	**-**	**1,813**	**161**	**118,770**
Tax loss carryforwards	117,809	-	(5,190)	-	1,813	161	114,593
Tax credits	4,186	-	(9)	-	-	-	4,177
Temporary differences	**140,461**	**-**	**(54,183)**	**1,616**	**3,865**	**(5,506)**	**86,253**
Total deferred tax assets	**262,456**	**-**	**(59,382)**	**1,616**	**5,679**	**(5,346)**	**205,023**

The deductible temporary differences recognised in 2020, amounting to EUR 64,451 thousand, are due mainly to:

- The recognition and use of provisions, amounting to EUR 35,146 thousand.
- The difference in the timing of recognition of the depreciation and amortisation charge for accounting and tax purposes amounting to EUR 1,652 thousand.
- The difference in the timing of recognition of construction costs, amounting to EUR 10,332 thousand.
- The profit or loss of the UTEs, the recognition of which for tax purposes is deferred for one year.

In 2020, as a consequence, inter alia, of the effects of the covid-19 pandemic on the operations of the companies in the Spanish tax group, the Group reassessed the recoverability of the deferred tax assets, based on a long-term business plan, which includes assumptions regarding the volume of operations and expected returns on the basis of its related technical and financial capacities, as well as the expected situation of the markets in which it operates. The reassessment did not disclose any recoverability risks relating to the outstanding balances at 31 December 2020.

The changes in deferred tax liabilities in 2020 and 2019 were as follows:

Thousands of euros

Balance at 1 January 2019	**149,000**
Increases	13,467
Decreases	(67,342)
Transfers	-
Balance at 31 December 2019	**95,125**
Increases	1,202
Decreases	(17,554)
Transfers	-
Balance at 31 December 2020	**78,773**

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

Thousands of euros

2020						
	Balance at 31/12/19	Changes in the scope of consolidation	Charge/ Credit to profit or loss	Exchange rate effect	Transfers and other	Balance at 31/12/20
Temporary differences	95,125	-	(8,897)	(7,455)	-	78,773
Total deferred tax liabilities	**95,125**	**-**	**(8,897)**	**(7,455)**	**-**	**78,773**

Thousands of euros

2019						
	Balance at 31/12/18	Changes in the scope of consolidation	Charge/ Credit to profit or loss	Exchange rate effect	Transfers and other	Balance at 31/12/19
Temporary differences	149,000	-	(59,183)	5,308	-	95,125
Total deferred tax liabilities	**149,000**	**-**	**(59,183)**	**5,308**	**-**	**95,125**

The taxable temporary differences recognised in 2020, amounting to EUR 78,773 thousand, relate mainly to:

- The adjustments made on consolidation, including most notably those recognised in relation to goodwill allocated as an addition to the customer portfolio and backlog of the acquirees amounting to EUR 36,552 thousand.
- The recognition and use of provisions, amounting to EUR 19,566 thousand.
- The difference in the timing of recognition of construction costs, amounting to EUR 9,763 thousand.
- The difference in the timing of recognition of revenue relating to "Trade Receivables for Amounts to be Billed for Work Performed", amounting to EUR 4,573 thousand.

The Group companies' tax losses available for offset in future tax returns amount to EUR 1,700,083 thousand, the detail of which, by last year for offset, is as follows:

Year	Thousands of euros
2021	34,433
2022	31,538
2023	44,753
2024	12,078
2025	14,150
2026	1,458
2027	294
2028	911
2029	23,503
2030	18,790
2031	296
2032	82
2033	3,701
2034	22,930
2035	8,185
Unlimited	1,553,866
Total	**1,770,968**

The Group companies have unused double taxation tax credits amounting to EUR 10,955 thousand, and investment tax credits (reinvestment, R&D&i and other tax credits) amounting to EUR 25,413 thousand.

Years open for review by the tax authorities

Under current legislation, taxes cannot be deemed to have been definitively settled until the tax returns filed have been reviewed by the tax authorities or until the statute-of-limitations period has expired.

At 2020 year-end the consolidated Group companies had the years that had not yet become statute barred and that had not already been audited open for review by the tax authorities for all the taxes applicable to them pursuant to the local legislation in force in the various jurisdictions in which they operate.

In July 2020 the tax authorities notified the Parent of the commencement of a tax audit of the following taxes and periods:

	Periods
Income tax	**2014-2017**
VAT	07/16-12/19
Personal income withholdings/pre-payments	07/16-12/19
Withholdings/Pre-payments on account of income from movable capital	07/16-12/19
Non-resident income tax withholdings	07/16-12/19

However, the Parent's directors consider that the tax returns for all the taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions or of possible tax audits of the years open for review, such contingent tax liabilities as might arise would not have a material effect on the accompanying consolidated financial statements

Tax receivables and payables

The detail of "Tax Receivables" and "Tax Payables" at 31 December 2020 and 2019 is as follows:

Thousands of euros

	Current assets		Current liabilities	
	2020	2019	2020	2019
VAT	33,764	44,774	36,287	33,134
Other taxes	43,559	38,398	19,743	31,309
Social security taxes	45	42	11,040	10,423
Total	**77,368**	**83,214**	**67,070**	**74,866**

Income and expenses

Revenue

The Group's revenue in 2020 amounted to EUR 2,830,727 thousand (2019: EUR 2,959,905 thousand), the detail by business activity, geographical market and type of customer being as follows:

Thousands of euros

Business activity	2020	2019	% change
Construction	2,347,221	2,452,226	-4.3%
Industrial	166,281	218,238	-23.8%
Services	300,158	275,633	8.9%
Other	17,067	13,808	23.6%
Total revenue	**2,830,727**	**2,959,905**	

	2020					
	Spain		Abroad		Total	
Business activity, geographical market and customer	Public sector	Private sector	Public sector	Private sector	Public sector	Private sector
Construction	230,526	128,796	1,717,442	270,457	1,947,968	399,253
Industrial	-	10,531	10,532	145,218	10,532	155,749
Services	249,052	33,333	8,586	9,187	257,638	42,520
Other	45	4,737	7,674	4,611	7,719	9,348
Total revenue	**479,623**	**177,397**	**1,744,234**	**429,473**	**2,223,857**	**606,870**

Thousands of euros

Geographical market	2020	2019
US and Canada	1,188,193	1,002,949
Mexico	49,846	95,295
Chile	389,914	246,644
Peru	50,130	103,282
Colombia	33,962	76,354
Spain	659,013	824,576
Central and Eastern Europe	324,009	303,805
Other countries	135,660	307,000
Total revenue	**2,830,727**	**2,959,905**

The detail of revenue by geographical area in 2020 and 2019 is as follows:

Thousands of euros	2020	2019
Spanish market	**659,013**	**824,576**
International market:	**2,171,714**	**2,135,329**
European Union	321,303	300,433
Eurozone	40,891	36,219
Non-eurozone	280,412	264,214
Other	1,850,411	1,834,896
Total	**2,830,727**	**2,959,905**

The reconciliation of segment revenue to consolidated revenue in 2020 and 2019 is as follows:

Thousands of euro

	2020			2019		
Segment	**Revenue from non-Group customers**	**Inter-segment revenue**	**Total revenue**	**Revenue from non-Group customers**	**Inter-segment revenue**	**Total revenue**
Construction	2,347,221	19,647	2,366,868	2,452,226	28,677	2,480,903
Industrial	166,281	7,371	173,652	218,238	3,871	222,109
Services	300,158	1,168	301,326	275,633	1,417	277,050
Other	17,067	5,224	22,291	13,808	8,339	22,147
Adjustments to and eliminations from inter-segment revenue	-	(33,410)	(33,410)	-	(42,304)	(42,304)
Total	**2,830,727**	**-**	**2,830,727**	**2,959,905**	**-**	**2,959,905**

Other operating income

"Other Operating Income" in 2020 amounted to EUR 51,155 thousand (2019: EUR 86,175 thousand).

Procurements

"Procurements" in 2020 amounted to EUR (1,591,062) thousand, 8% less than in 2019.

Staff costs

"Staff Costs" in 2020 amounted to EUR (755,130) thousand (2019: EUR (757,502) thousand).

Other operating expenses

The detail of "Other Operating Expenses" in the consolidated statement of profit or loss is as follows:

Thousands of euro

	2020	2019
Outside services	(221,339)	(276,545)
Taxes other than income tax	(9,913)	(13,130)
Other current operating expenses	(236,923)	(207,936)
Total	**(468,175)**	**(497,611)**

Finance income

The detail of "Finance Income" in the consolidated statement of profit or loss is as follows:

Thousands of euro

	2020	2019
Interest income from other companies	17,837	20,561
Income from equity investments	20	14
Total	**17,857**	**20,575**

Finance costs

The detail of "Finance Costs" in the consolidated statement of profit or loss is as follows:

Thousands of euros

	2020	2019
On the financing of current transactions	(52,552)	(53,677)
On finance leases and deferred purchases of non-current assets	(2,085)	(3,113)
Interest costs relating to provisions	167	284
Total	(54,470)	(56,506)
Total	**(54.470)**	**(56.506)**

Exchange differences (gains and losses)

The exchange differences in 2020 amounted to EUR (1,816) thousand (2019: EUR (2,236) thousand).

Net gains (losses) on remeasurement of financial instruments at fair value

The net losses in this connection in 2020 amounted to EUR (17,940) thousand. They include mainly EUR (5,671) thousand arising from the transfer to profit or loss of the valuation adjustments relating to hedges as a result of the sale of Arenales and EUR (10,393) thousand arising from the settlement of a loan that had been granted to Operadora Lakanh.

The net gains in this connection in 2019 amounted to EUR 2,361 thousand.

Result of companies accounted for using the equity method

The result of companies accounted for using the equity method totalled EUR 677 thousand in 2020, as compared with EUR (7,032) thousand in 2019 (see Note 3.7.1.).

Impairment and gains or losses on disposals of financial instruments

In 2020 "Impairment and Gains or Losses on Disposals of Financial Instruments" amounted to EUR (62,892) thousand, and included mainly:

- A gain of EUR 5,358 thousand on the sale of Arenales Solar.
- An impairment loss of EUR (35,596) thousand recognised by the Parent on the accounts receivable from Grupo Villar Mir, S.A.U. and Inmobiliaria Espacio, S.A.U., following the agreement reached in December 2020 whereby the debt will be discharged through the transfer of certain assets securing the debt, including the investment in the Pacadar Group. The fair value of the assets securing the debt was estimated on the basis of valuations performed by non-Group independent third parties, taking into account the cash flows projected in the related business plan, all discounted at rates reflecting the current demands made of activities of this nature by capital providers and lenders (see Note 3.10.).
- The adjustment made to the investment in the Canalejas shopping centre amounting to EUR (25,600) thousand (see Note 3.7.1.).
- The adjustment of EUR (5,331) thousand made to the investment in the Old War Office project due to the exchange rate effect (see Note 3.7.1.).

In 2019 "Impairment and Gains or Losses on Disposals of Financial Instruments" amounted to EUR (71,030) thousand.

Balances in currencies other than the euro

The detail of the transactions performed by the Group companies in 2020 in currencies other than the euro, by currency and for the main operating income and expense items, translated to euros at the average exchange rates, is as follows:

:

Thousands of euros

Currency	Sales	Other income	Procurements	Other operating expenses
Czech koruna	240,121	7,595	246,898	20,874
Norwegian krone	53,971	598	45,512	6,087
Swedish krona	-	1,006	133	466
US dollar	1,355,844	945	722,495	268,211
Moldovan leu	5,365	-	3,028	2,184
Chilean peso	259,332	981	183,417	29,705
Colombian peso	35,747	6,361	19,455	15,147
Mexican peso	45,811	6,795	23,412	17,280
Saudi riyal	14,203	2,021	6,514	4,653
Peruvian sol	2,695	4,650	9,576	2,954
Other currencies	33,822	1,541	17,161	18,662
Total	**2,046,911**	**32,493**	**1,277,601**	**386,223**

The detail of the balances receivable in currencies other than the euro at 31 December 2020 and 2019, by currency and for the main asset items in the consolidated balance sheets, translated to euros at the year-end exchange rates, is as follows:

Thousands of euros

	31/12/2020		
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**

Thousands of euros

	31/12/2019		
Currency	**Non-current financial assets**	**Current financial assets**	**Trade and other receivables**
Czech koruna	666	-	93,864
Norwegian krone	221	63	8,714
Swedish krona	-	20	2,180
Kuwaiti dinar	67	-	16,675
Canadian dollar	29,323	102	13,798
US dollar	3,792	32,185	313,319
Chilean peso	34	25,051	123,194
Colombian peso	-	439	57,149
Mexican peso	23,913	2,165	104,316
Saudi riyal	1,448	212	19,806
Qatari riyal	2,952	-	18,947
Peruvian sol	-	5	23,780
Other currencies	207	12	54,921
Total	**62,623**	**60,254**	**850,663**

The detail of the balances payable in currencies other than the euro at 31 December 2020 and 2019, by currency and for the main liability items in the consolidated balance sheets, translated to euros at the year-end exchange rates, is as follows::

Thousands of euros

	31/12/2020		
Currency	**Other financial liabilities**	**Trade and other payables**	**Other current and non-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**

Thousands of euros

	31/12/2019		
Currency	**Other financial liabilities**	**Trade and other payables**	**Other current and non-current liabilities**
Czech koruna	5,997	84,768	12,461
Norwegian krone	-	46,059	809
Swedish krona	-	568	176
Kuwaiti dinar	-	42,003	-
US dollar	8,359	521,221	18,110
Chilean peso	-	103,107	9,070
Colombian peso	-	123,045	7,616
Mexican peso	-	108,644	22,506
Saudi riyal	-	24,036	1,803
Qatari riyal	-	43,236	-
Peruvian sol	-	36,107	3,220
Other currencies	-	72,427	14,400
Total	**14,356**	**1,205,221**	**90,171**

Consolidated statement of cash flows

The consolidated statement of cash flows was prepared in accordance with IAS 7 and is unaffected by changes in the exchange rates to euros of the currencies with which the Group operates.

Also, the requisite classifications were made in order to properly show the changes due to inclusions in and exclusions from the scope of consolidation.

The following matters are worthy of mention in relation to each of the main sections of the consolidated statement of cash flows:

Cash flows from operating activities

The detail of "Other Adjustments to the Loss before Tax" is as follows:

Thousands of euros

	2020	**2019**
Changes in provisions and allowances	1,470	8,724
Financial loss	119,261	102,364
Result of companies accounted for using the equity method	(677)	7,032
Total	**120,054**	**118,120**

Cash flows from investing activities

“Cash Flows from Investing Activities" amounted to EUR (12,930) thousand in 2020.

Payments due to investments amounted to EUR (52,215) thousand.

The proceeds from disposals amounted to EUR 25,982 thousand.

Cash flows from financing activities

At 31 December 2020, "Cash Flows from Financing Activities" amounted to EUR (59,260) thousand.

Following the aforementioned transactions, and taking into consideration the exchange rates, cash and cash equivalents at the end of the year amounted to EUR 471,014 thousand.

Other disclosures

Segment reporting

An operating segment is defined in the relevant IFRS as one having 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 IFRS 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 the segmentation that best represents it is that based on the various business areas in which it operates, the detail being as follows:

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

Basic information about these segments in 2020 and 2019 is presented below.

Thousands of euros

	2020				
	Construction	Industrial	Services	Otros	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
As a percentage of revenue	2.7%	6.5%	5.2%	0.0%	2.4%
Depreciation and amortisation charge	(46,555)	(3,195)	(6,925)	(19,377)	(76,052)
EBIT	15,655	7,606	8,623	(40,421)	(8,537)
As a percentage of revenue	0.7%	4.6%	2.9%	0.0%	-0.3%
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
Cash flows from operating activities (*)	(45,249)	(30,672)	2,107	(81,975)	(155,789)
Changes in net borrowings(*)	34,644	15,848	1,367	86,686	138,545
Cash flows from investing activities (*)	10,605	14,824	(3,474)	(4,711)	17,244

(*(*) Calculated using internal criteria, which in certain cases differ from those in IAS 7.
(**) EBITDA is calculated as profit or loss from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

Thousands of euros

	2019				
Concepto	**Construction**	**Industrial**	**Services**	**Other**	**Total Group**
Revenue	2,452,226	218,238	275,633	13,808	2,959,905
EBITDA (**)	75,481	9,823	12,425	(32,964)	64,765
As a percentage of revenue	3.1%	4.5%	4.5%	0.0%	2.2%
Depreciation and amortisation charge	(56,523)	(1,513)	(4,723)	(14,268)	(77,028)
EBIT	18,958	8,310	7,702	(47,233)	(12,263)
As a percentage of revenue	0.8%	3.8%	2.8%	0.0%	-0.4%
Current assets	1,646,802	223,890	69,594	379,728	2,320,014
Current liabilities	2,301,722	341,514	72,548	(526,941)	2,188,843
Total assets	2,275,017	243,325	84,461	1,021,513	3,624,316
Total liabilities	2,456,015	381,950	74,095	89,393	3,001,453
Cash flows from operating activities (*)	(100,648)	(30,979)	4,727	(91,759)	(218,659)
Changes in net borrowings(*)	138,248	30,584	(65)	71,847	240,614
Cash flows from investing activities (*)	(37,600)	395	(4,662)	19,912	(21,955)

((*) Calculated using internal criteria, which in certain cases differ from those in IAS 7.
(**) EBITDA is calculated as profit or loss from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

The secondary segments -the geographical areas in which the 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 is also present in other countries, which are not currently considered to be local markets and are grouped together under "Other Countries".

Thousands of euros

	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
As a percentage of revenue	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)
As a percentage of revenue	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)
As a percentage of revenue	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
Year-end headcount	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 profit or loss from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

Thousands of euros

2019									
	US and Canada	Mexico	Chile	Peru	Colombia	Spain	Central and Eastern Europe	Other countries	Total Group
Revenue	1,002,949	95,295	246,644	103,282	76,354	824,576	303,805	307,000	2,959,905
EBITDA	31,000	(3,998)	30,965	13,846	(9,333)	(13,399)	8,288	7,396	64,765
As a percentage of revenue	3.1%	-4.2%	12.6%	13.4%	-12.2%	-1.6%	2.7%	2.4%	-17.1%
EBIT	1,025	(3,139)	25,112	10,154	(9,305)	(27,695)	4,530	(12,945)	(12,263)
As a percentage of revenue	0.1%	-3.3%	10.2%	9.8%	-12.2%	-3.4%	1.5%	-4.2%	-19.3%
Profit (Loss) after tax (attributable to the Parent)	(3,610)	6,168	37,666	15,270	(12,022)	(130,022)	(1,693)	(54,717)	(142,960)
As a percentage of revenue	-0.4%	6.5%	15.3%	14.8%	-15.7%	-15.8%	-0.6%	-17.8%	-54.8%
Trade receivables (net of allowances and advances)	78,412	70,145	77,567	(53,162)	(4,547)	177,679	103,665	(14,854)	434,905
Year-end headcount	1,702	670	3,001	1,446	607	9,658	1,400	298	18,782
Short-term backlog	1,846,755	63,497	798,142	149,090	92,000	1,251,107	535,879	263,152	4,999,622
Long-term backlog	-	-	53,692	-	-	404,642	-	-	458,334
Total backlog	1,846,755	63,497	851,834	149,090	92,000	1,655,749	535,879	263,152	5,457,956

(*) EBITDA is calculated as profit or loss from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

Risk management policy

Risk Control and Management at the OHL Group aims to control and manage current and emerging risks and opportunities relating to its business activities in order to:

- Meet the Group's strategic and operating objectives.
- Protect the Group's reputation, ensure its sustainability and safeguard legal certainty.
- Protect the security of the shareholders' equity.
- Protect the interests of the other stakeholders with an interest in the progress of the organisation.
- Improve innovation, competitiveness and confidence in the OHL Group.

In order to achieve these objectives, the following guiding principles for the control and management of risks and opportunities have been established:

- Act, at all times, in accordance with the law and with the values and standards reflected in the Code of Ethics, as well as within the regulatory framework of the Group.
- Act on the basis of the risk tolerance level defined by the Group.
- Incorporate the control and management of risks and opportunities into the Group's business processes and strategic and operational decision-making.
- Manage the information generated in relation to risks in a transparent, proportionate and appropriate manner, and communicate it on a timely basis.

- Establish and maintain a risk-aware culture.
- Incorporate risk control and management best practices and recommendations.

Risk control and management form part of the Group's regulatory and operational framework and, when applied by the organisation in the performance of its activities, permit:

- The identification of significant risks and opportunities affecting, or which may affect, the achievement of the Group's objectives.
- The assessment of the risks detected.
- The definition of the measures to be taken and decision-making, taking into consideration the risks and opportunities, together with other aspects of the business.
- The implementation of the aforementioned 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, the communication channels and the levels of authorisation.

The OHL Group's Board of Directors is responsible for approving the Risk Control and Management Policy, identifying and monitoring the main risks, establishing risk tolerance levels and implementing and monitoring adequate internal control and reporting systems.

The OHL Group's Audit and Compliance Committee is responsible for ensuring that the commitments contained in the Risk Control and Management Policy are up to date and fulfilled on an ongoing basis.

Each year, Group management, acting under the indications of the Audit and Compliance Committee, prepares a Risk Map in which it identifies and assesses the 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 affecting the performance of its activities and for reporting those risks, where appropriate, as soon as they are detected or demonstrated.

All OHL Group employees are responsible for risk management. All employees should understand the risks relating to their area of responsibility and manage them within the action framework defined in this Policy. They should also be familiar with the established tolerance limits.

The OHL Group's Risk Control and Management Policy is reviewed annually to ensure that it remains in line with the interests of the Group and its stakeholders, and that it is available to all of them.

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

i. Financial risk

Financial risks affect mainly the obtainment of the necessary financing when required and at a reasonable cost and the maximisation of the available financial resources. The most significant financial risks are as follows:

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

ii. Market and environment risk

The OHL Group operates in diverse geographical markets and, accordingly, is subject to differing government regulations that can affect its activities and economic results. The fact that its businesses are mostly located in countries with stable socio-economic and regulatory conditions (e.g., Europe and the US) minimises these risks.

iii. Procurement risk

The OHL Group is exposed to the price risk of certain commodities, such as raw materials (e.g., bitumen, steel, etc.), which can affect the prices of the main supplies of the goods and services that the Group requires to carry on its operations. Delays can also occur in deliveries, and certain products may be more scarce in the geographic markets where the Group operates.

iv. Construction work/project performance risk

Delays or cost overruns may arise in the performance of the Group's construction work/projects as a result of certain of the aforementioned risks and technical problems that may arise. This may also cause claims against the Group's customers and litigation.

v. Environmental and social risks

The OHL Group assesses environmental and social risks in the tender phase, analysing the foreseeable effects on the population, fauna, flora, soil, air, water, climate factors, the countryside and tangible property, including historical-artistic and archaeological heritage, and specifies the necessary preventive measures to be adopted during the corresponding construction, operation and maintenance activities in each case.

FINANCIAL RISK MANAGEMENT

Financial risks affect mainly the obtainment of the necessary financing when required and at a reasonable cost and the maximisation of the available financial resources. The most significant financial risks are as follows:

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

Interest rate risk

Interest rate fluctuations change the future flows from assets and liabilities tied to floating interest rates.

This interest rate risk is particularly important in relation to the financing of infrastructure projects and other projects in which project profitability depends on possible changes in interest rates because it is directly linked to project cash flows.

The Group finances its operations using fixed- or floating-rate financial products and, based on estimates of the trend in interest rates and of debt structure targets, it either performs hedging transactions by arranging derivatives to mitigate these risks, also conducting a sensitivity analysis in this connection, or it arranges fixed-rate financing.

Of the Group’s total gross debt at 31 December 2020, 6.8% had been hedged while 86.7% was bearing interest at a fixed rate.

A 0.5% increase in interest rates, excluding debt hedged with hedging instruments or bearing a fixed interest rate, would have an impact of EUR 497 thousand on the profit or loss attributable to the Parent in the Group's consolidated profit or loss.

Foreign currency risk

Foreign currency risk management is centralised at the Group and various hedging mechanisms are applied to minimise the impact of the changes in value of foreign currencies against the euro.

The foreign currency risks relate basically to:

- Debt denominated in foreign currencies.
- Payments to be made in international markets for the acquisition of procurements or non-current assets.
- Collections arising on projects tied to currencies other than the functional currency of the Parent or of the subsidiaries.
- Investments in foreign subsidiaries.

The Group arranges foreign currency derivatives and currency forwards to hedge significant future transactions and cash flows, in keeping with the acceptable risk limits. There were no currency forwards in force at 31 December 2020.

Also, the 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 the 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 2020 and 2019, the possible impact of which was as follows:

Thousands of euros

	2020				
Currency	**Profit or 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)**

	2019				
Currency	**Profit or loss**	**Translation differences**	**Attributable equity**	**Non-controlling interests**	**Total equity**
Czech koruna	-	(864)	(864)	-	(864)
Norwegian krone	(2,822)	(32)	(2,854)	-	(2,854)
Algerian dinar	(830)	-	(830)	-	(830)
Kuwaiti dinar	(1,895)	-	(1,895)	-	(1,895)
Canadian dollar	-	3,891	3,891	-	3,891
US dollar	(4,481)	(13,864)	(18,345)	-	(18,345)
Chilean peso	2,217	654	2,871	-	2,871
Colombian peso	(378)	(6,804)	(7,182)	-	(7,182)
Mexican peso	249	(407)	(158)	-	(158)
Saudi Arabian riyal	-	(437)	(437)	-	(437)
Qatari riyal	(1,601)	-	(1,601)	-	(1,601)
Peruvian sol	(1,218)	69	(1,149)	-	(1,149)
Total	**(10,759)**	**(17,794)**	**(28,553)**	**-**	**(28,553)**

If the sensitivity analysis were performed simulating a 10% decrease in the value of the foreign currencies vis-à-vis the euro with respect to the rates in force at 31 December 2020 and 2019, the impact would be as follows:

Thousands of euros

	2020				
Currency	**Profit or 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**

	2019				
Currency	**Profit or loss**	**Translation differences**	**Attributable equity**	**Non-controlling interests**	**Total equity**
Czech koruna	-	785	785	-	785
Norwegian krone	2,564	29	2,593	-	2,593
Algerian dinar	756	-	756	-	756
Kuwaiti dinar	1,722	-	1,722	-	1,722
Canadian dollar	-	(3,537)	(3,537)	-	(3,537)
US dollar	4,074	12,604	16,678	-	16,678
Chilean peso	(2,015)	(595)	(2,610)	-	(2,610)
Colombian peso	344	6,186	6,530	-	6,530
Mexican peso	(226)	370	144	-	144
Saudi Arabian riyal	-	398	398	-	398
Qatari riyal	1,455	-	1,455	-	1,455
Peruvian sol	1,106	(62)	1,044	-	1,044
Total	**9,780**	**16,178**	**25,958**	**-**	**25,958**

Credit risk

Credit risk is the probability that a counterparty to a contract does not meet its contractual obligations, giving rise to a 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. The Group obtains information on its counterparty through independent company valuation agencies, other public sources of financial information or the information it obtains from its own relationships with customers and third parties.

At 31 December 2020, the net balances of the Group's financial assets exposed to credit risk were::

	Thousands of euros
Non-current financial assets and concession infrastructure	368,316
Trade and other receivables	1,128,496
Investments in financial assets	194,905
Cash and cash equivalents	471,014

Non-current financial assets and concession infrastructure

"Non-Current Financial Assets" includes net loans to associates totalling EUR 74,933 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.

Non-current hedging instruments

The credit risk of hedging instruments with a positive fair value is limited by the Group, since derivatives are arranged with highly solvent counterparties with high credit ratings and no counterparty accounts for a significant percentage of the total credit risk.

Trade and other receivables

"Trade and Other Receivables" includes the balances of "Trade Receivables for Sales and Services" totalling EUR 977,631 thousand, of which 64.82% relate to public sector customers in relation to which the Group does not expect any losses to arise. In certain cases, the Group is entitled to demand interest. The remaining 35.18% relate to private sector customers which, in general, have a high level of solvency.

Customers are assessed prior to entering into contracts. This assessment includes a solvency study. Over the course of the contract term, changes in debt are monitored on a constant basis and the recoverable amounts are reviewed, and write-downs are recognised whenever necessary.

Pursuant to the IFRS 9 expected credit loss model, the Group recognised a provision of EUR 5,000 thousand (see Note 2.6.7.).

Liquidity risk

The repercussion of the covid-19 pandemic on the general situation in the markets caused an increase in liquidity constraints in the economy, as well as a contraction of the credit market, a situation to which the OHL Group has not been immune, despite the economic measures adopted to mitigate the effects of the pandemic which, to date, have not been fully effective at national or international level.

The Group's liquidity position at 31 December 2020 comprised cash and cash equivalents and current financial assets totalling EUR 665,919 thousand, the detail being as follows:

- **Cash and cash equivalents amounting to EUR 471,014 thousands,** , including EUR 163,373 thousand relating to UTEs in which the Group has interests.

- **Current financial assets amounting to EUR 194,905 thousand,** including a restricted deposit of EUR 140,000 thousand to secure the multi-product syndicated financing agreement, and EUR 34,319 thousand to guarantee proper performance of certain projects in progress in the US.

The Group also has **drawable credit lines and discount facilities amounting to EUR 92,925 thousand**, including mainly:

i. EUR 27,768 thousand, relating to the undrawn financing for the construction of the Aguas de Navarra concession arrangement (see Note 3.18.1.).

ii. EUR 35,000 thousand, relating to the final tranche of the State (ICO)-backed financing facility of EUR 140,000 thousand, arranged on 30 April 2020, with a limit of EUR 130,331 thousand following the novation signed on 13 October 2020 after an early repayment had been made (see Note 3.18.1). Although this amount can only be drawn down upon fulfilment of a series of contractual conditions, the Company expects to draw down the facility in the short term.

The Group also expects to partially bolster its liquidity position using the cash flows from the divestments of Hospital de Toledo, S.A. and Mantohledo, S.A.U., amounting to EUR 76,130 thousand, which were reported to the market on 23 November 2020.

In addition, on 15 March 2020 the Parent redeemed the bond issued in 2012 with an outstanding balance of EUR 73,305 thousand.

In view of the Group's current liquidity position, the directors carried out a transaction to **strengthen the Group's balance sheet, which involved reinforcing the Group's capital structure by capitalising a portion of the current bond issues and performing shareholder injections**

In this connection, as reported to the market on 21 January 2021 (see Note 5), a process was initiated whereby Forjar Capital, S.L.U. and Solid Rock Capital, S.L.U. (jointly, the "Amodio Shareholders"), Grupo Villar Mir, S.A.U. (GVM) and a group of current OHL bondholders entered into a **lock-up agreement to support a transaction by the Group's Parent to recapitalise and renegotiate certain financial debt of the Group.**

The transaction includes the renegotiation of the terms of the current bond issues of the Group's Parent (bonds maturing in 2022, amounting to EUR 400,000 thousand, and bonds maturing in 2023, amounting to EUR 325,000 thousand), the principal amount outstanding of which is EUR 592,888 thousand, and which is subject to a scheme of arrangement, requiring court approval under UK law.

The amendment of the terms of the bonds consists of:

i. The capitalisation of a portion of the bond principal.

ii. The partial write-off of the bonds.

iii. The issue of new bonds, up to a maximum of EUR 488,300 thousand, to be issued at an issue price of 100% bearing interest at 5.1% (payable on a half-yearly basis on 15 March and 15 September each year), and which will accrue annual payment-in-kind (PIK) interest of 1.5% up to (but not including) 15 September 2023, from which time it will increase to 4.65%. 50% of the principal will mature on 31 March 2025, and the remainder (which may be reduced by redemption or repurchases) will mature on 31 March 2026. These new bonds are guaranteed by certain subsidiaries jointly representing 46.62% of the Group's current net sales and by certain security interests, including security interests in shares, etc.

For these purposes, bondholders may choose between:

- **Option 1:** eceiving, for every EUR 1,000 of bond principal, EUR 880 of the principal amount of new bonds plus EUR 20 of new bonds as a lock-up fee; or

- **Option 2:** up to 38.25% of the principal amount of their bonds for every EUR 1,000 of principal, EUR 680 of the principal amount of new bonds and EUR 300 of new shares at **EUR 0.74 per share** ("Bond Capitalisation"), and, if applicable, EUR 20 of new bonds as a lock-up fee. With respect to 61.75% of the bond principal, these bondholders will receive Option 1 instruments, and, if applicable, EUR 20 of new bonds as a lock-up fee.

On 10 February 2021, it was reported to the market that the Group's Parent had obtained the backing of bondholders representing 93% of the principal amount of the bonds for the restructuring thereof, and that more than 75% had opted for Option 1 (see Note 5).

Another basic pillar of the transaction is the injection of equity into the Group's Parent by means of:

i. A capital increase (("the Rights Issue") recognising shareholders' pre-emption rights, amounting to EUR 35,000 thousand, which will be submitted for approval by the shareholders at the Extraordinary General Meeting called for 25 and 26 March 2021.

ii. A Private Placement, addressed exclusively to the Amodio Shareholders and to Tyrus Capital Event, S.à r.l and/or Tyrus Capital Opportunities, S.à r.l (jointly, "Tyrus") for the purpose of fulfilling the investment commitments assumed by these entities in the context of the transaction, as described below, to the extent that they could not be realised in full in the Rights Issue.

Within the framework of the lock-up agreement, the Amodio shareholders jointly undertook to inject funds into the Group's Parent, amounting to a joint total effective amount of EUR 37,000 thousand, while Tyrus undertook to inject a total effective amount of EUR 5,000 thousand. Ensuring that these investment commitments are honoured in full which, besides having been undertaken by the creditors, is essential for the OHL Group, **since it would entail a total liquidity injection of EUR 42,000 thousand, required the Rights Issue to be supplemented by the aforementioned Private Placement.**

Thus, in order to ensure that the investment commitments are honoured in full, it is necessary to combine the two options, namely, the Rights Issue and the Private Placement, these being fully interrelated and complementary transactions.

The main terms and conditions of the Private Placement are as follows:

a. The maximum amount will be executed if all the shares to be issued in the increase (barring those corresponding to the Amodio Shareholders) are allocated to shareholders and/or acquirers of rights in respect of the Rights Issue.

b. The new shares arising from the Private Placement will be issued at an issue price of EUR 0.36 per share, equal to the price at which the Rights Issue will be performed.

c. The Private Placement will be addressed exclusively to the Amodio Shareholders and Tyrus.

d. The new shares will carry the same voting and dividend rights as the shares of the Group's Parent currently outstanding.

e. The pre-emption rights of shareholders of the Group's Parent will be totally excluded in this increase.

f. The bylaws of the Group's Parent will be amended to reflect the resulting share capital figure.

With respect to the bondholders, the deadline established for achieving 75% bondholder accession was 30 November, and failure to do so would lead to the mandatory repayment of the amount drawn down against the ICO loan. However, the banks agreed to extend this deadline until 28 February 2021. On 10 February 2021, the Group reported the achievement of the accession of holders of 93% of the bond principal and, accordingly, the date of repayment of the amounts drawn down against the ICO loan is as agreed in the initial terms and conditions, i.e., 30 October 2021.

As a result of the measures outlined above and the degree of achievement thereof, which are in line with the envisaged plan and detailed in Note 5, together with the plans to divest other non-strategic assets and secure new financing facilities (guarantees and reverse factoring facilities), the Parent's directors trust that they will overcome the current liquidity constraints and continue to implement their business plan, **which will enable the Parent to continue with its activities, meet all of its obligations and bolster its equity and financial position**.

In this connection, the Group's directors consider that the Group's business plan for 2021 and subsequent years, which is based on:

- Obtaining gross margins of between 6% and 7% and recovering levels of profitability in projects.

- Contract vs. project management, strictly controlling and endeavouring to optimise the Group's production costs and overheads, and paying particular attention to loss-making projects.

- Obtaining levels of new contracts that allow it to cover its backlog, ensuring that the Group's activities grow/are maintained, and actively managing the capacity of guarantee and bonding lines.

- Cash basis criteria in decision-making and focusing on the generation of cash flow from projects, continuously monitoring working capital.

- Divestments of non-strategic assets (Hospital de Toledo and the Owo Project).

- Promoting concession activity through Senda Infraestructuras.

should contribute towards turning a corner after 2020 and starting to see a substantial improvement in the Group's operations and results.

However, there are circumstances that could give rise to uncertainties with respect to the achievement of the business plan for 2021 and, accordingly, may cause variances therefrom (non-achievement of expected levels of new contracts, unforeseen circumstantial working capital shortfalls, etc.), with the main uncertainty being the impact of the covid-19 health crisis on business activities (see Note 2.4.). This crisis should abate, and the directors will continuously monitor its evolution.

Number of employees

The average number of employees in 2020 and 2019, by professional category, was as follows:

Número medio de empleados

Professional category	2020	2019 (*)
Senior managers/executives	74	70
Supervisors	1,599	1,629
Other line personnel	2,497	2,421
Clerical staff	651	943
Other employees	15,081	13,819
Total	**19,902**	**18,882**
Permanent employees	13,476	12,355
Temporary employees	6,426	6,527
Total	**19,902**	**18,882**
Men	10,849	10,857
Women	9,053	8,025
Total	**19,902**	**18,882**

(*) Adjusted.

The average number of employees at the Group with a disability equal to or greater than 33% in 2020 was 382 (2019: 299).

Related party transactions

Related party transactions are deemed to be transactions with parties outside the Group but with which there are strong ties as defined in Ministry of Economy and Finance Order EHA/3050/2004, of 15 September, and in Spanish National Securities Market Commission (CNMV) Circular 1/2005, of 1 April.

The following transactions were performed with related companies in 2020 and 2019:

Thousands of euros

	2020	% of total	2019	% of total
Income and expenses				
Revenue	33,629	1.2%	39,066	1.3%
Other operating income	100	0.2%	700	0.8%
Finance income	4,607	25.8%	6,794	33.0%
Procurements	453	0.0%	3,267	0.2%
Other operating expenses	3,225	0.7%	3,581	0.7%
Other transactions				
Financing agreements: loans and capital contributions (lender)	52	-	-	-
Financing agreements: loans and capital contributions (borrower)	-	-	-	-
Guarantees provided	(41)	-	486	-
Guarantees received	-	-	-	-
Obligations assumed	-	-	-	-
Dividends and other profits distributed	-	-	-	-
Other transactions	478	-	4,381	-

The detail of the related party transactions in 2020 is as follows:

Employer identification number	Related company		Group company	Thousands of euros
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	60
A-87287223	Espacio Caleido, S.A.	Revenue	Obrascón Huarte Lain, S.A.	28,881
A-80400351	Espacio Information Technology, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	61
B-83962225	Espacio Living Homes, S.L.	Revenue	Obrascón Huarte Lain, S.A.	4,594
B-88463270	Grupo FerroAtlántica de Servicios, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	7
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	4
B-84996362	Torre Espacio Gestión, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	17
B-85253888	Villar Mir Energía, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	2
B-86830536	Alse Park, S.L.	Other operating income	Obrascón Huarte Lain, S.A.	1
A-87287223	Espacio Caleido, S.A.	Other operating income	Obrascón Huarte Lain, S.A.	16
A-87287223	Espacio Caleido, S.A.	Other operating income	OHL Servicios-Ingesan, S.A.U.	1
A-80400351	Espacio Information Technology, S.A.U.	Other operating income	OHL Servicios-Ingesan, S.A.U.	11
A-28032829	Pacadar, S.A.U.	Other operating income	OHL Servicios-Ingesan, S.A.U.	48
B-84996362	Torre Espacio Gestión, S.L.U.	Other operating income	OHL Servicios-Ingesan, S.A.U.	(1)
B-85253888	Villar Mir Energía, S.L.U.	Other operating income	OHL Servicios-Ingesan, S.A.U.	24
A-82500257	Grupo Villar Mir, S.A.U.	Finance income	Obrascón Huarte Lain, S.A.	3,122
A-28294718	Inmobiliaria Espacio, S.A.	Finance income	Avalora Tecnologías de la Información, S.A.	73
A-28032829	Pacadar, S.A.U.	Finance income	Obrascón Huarte Lain, S.A.	1,412
A-80400351	Espacio Information Technology, S.A.U.	Procurements	Avalora Tecnologías de la Información, S.A.	648
A-28032829	Pacadar, S.A.U.	Procurements	Construcciones Adolfo Sobrino, S.A.	(353)
A-28032829	Pacadar, S.A.U.	Procurements	Obrascón Huarte Lain, S.A.	158
B-86830536	Alse Park, S.L.	Other operating expenses	Obrascón Huarte Lain, S.A.	12
B-86830536	Alse Park, S.L.	Other operating expenses	OHL Servicios-Ingesan, S.A.U.	1
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Chemtrol Proyectos y Sistemas, S.L.	13
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	1
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	4
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	88
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	OHL Servicios-Ingesan, S.A.U.	16

B-80209232	Inse Rail, S.L.	Other operating expenses	Obrascón Huarte Lain, S.A.	12
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Other operating expenses	Obrascón Huarte Lain, Desarrollos, S.A.	700
B-84996362	Torre Espacio Gestión, S.L.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	27
B-86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	OHL Industrial, S.L.	1
B-86727500	Torre Espacio Restauración, S.L.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	14
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	3
A-80400351	Espacio Information Technology, S.A.U.	Other operating expenses	Obrascón Huarte Lain, S.A.	2,332
B-80209232	Inse Rail, S.L.	Other operating expenses	EyM Instalaciones, S.A.	1
Other transactions				
B-86830536	Alse Park, S.L.	Financing agreements: capital contributions	Obrascón Huarte Lain, Desarrollos, S.A.	52
A-80400351	Espacio Information Technology, S.A.U.	Acquisitions of intangible assets	Obrascón Huarte Lain, S.A.	477
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Sale of financial assets	Obrascón Huarte Lain, Desarrollos, S.A.	1
B-86830536	Alse Park, S.L.	Guarantees	Obrascón Huarte Lain, Desarrollos, S.A.	(41)

At 31 December 2020 and 2019, the balances with related companies were as follows:

Thousands of euros

	2020	% of total	2019	% of total
Non-current assets				
Other receivables	-	-	-	-
Current assets				
Advances to suppliers and subcontractors				-
Trade receivables for sales and services	23,959	2.5%	15,994	1.1%
Sundry accounts receivable	3,246	6.9%	3,233	6.0%
Other receivables	151	1.0%	6,498	5.1%
Other current assets (Note 3.6.)	138,592	107.7%	125,697	77.6%
Non-current liabilities				
Other non-current liabilities	-	-	-	-
Current liabilities				
Customer advances	10,753	2.6%	3,731	-
Accounts payable for purchases and services	420	0.1%	472	0.0%
Notes payable	151	0.3%	-	-
Other non-trade payables	293	0.1%	7	0.3%

In addition, at 31 December 2020 the Group had provided guarantees for related entities amounting to EUR 11,855 thousand (31 December 2019: EUR 11,896 thousand).

Backlog

At 31 December 2020, the Group's backlog amounted to EUR 4,962,167 thousand (31 December 2019: EUR 5,457,956 thousand).

The breakdown of the Group's backlog, by activity and geographical market, is as follows:

Thousands of euros

	2020			2019		
Business activity	**Short-term**	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
Construction	3,987,984	456,744	4,444,728	4,385,686	458,334	4,844,020
Industrial	122,605		122,605	248,772	-	248,772
Services	394,834		394,834	365,164	-	365,164
Total backlog	**4,505,423**	**456,744**	**4,962,167**	**4,999,622**	**458,334**	**5,457,956**

Of the total short-term backlog at 31 December 2020, EUR 3,837,251 thousand related to public sector customers and EUR 668,172 thousand to private sector customers (2019: EUR 3,799,922 thousand and EUR 1,199,700 thousand, respectively).

Thousands of euros

	2020			2019		
Geographical market	**Short-term**	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
US and Canada	1,849,786		1,849,786	1,846,755	-	1,846,755
Mexico	21,615		21,615	63,497	-	63,497
Chile	338,741	52,102	390,843	798,142	53,692	851,834
Peru	189,850		189,850	149,090	-	149,090
Colombia	110,126		110,126	92,000	-	92,000
Spain	1,249,825	404,642	1,654,467	1,251,107	404,642	1,655,749
Central and Eastern Europe	536,458		536,458	535,879	-	535,879
Other countries	209,022		209,022	263,152	-	263,152
Total backlog	**4,505,423**	**456,744**	**4,962,167**	**4,999,622**	**458,334**	**5,457,956**

At 31 December 2020, the backlog abroad represented 67% of the total backlog (31 December 2019: 70%).

Contingent assets and contingent liabilities

CONTINGENT ASSETS

There were no material contingent assets at 31 December 2020.

CONTINGENT LIABILITIES AND GUARANTEES

Guarantees provided to third parties

The contingent liabilities include the normal liability of construction companies for the performance and completion of the project contracts held by the Group companies and those arranged by the UTEs in which they have interests. The subsidiaries in Spain also have a secondary liability for the obligations of their subcontractors to the social security system with respect to their site employees. No losses are expected to be incurred by the Group in this connection.

At 31 December 2020, the Group companies had provided EUR 3,215,384 thousand of guarantees to third parties (31 December 2019: EUR 3,227,407 thousand), of which, in accordance with standard industry practice, EUR 3,145,084 thousand (31 December 2019: EUR 3,101,128 thousand) related to completion bonds deposited with public authorities and private sector customers to guarantee proper performance of the project contracts, and the remainder to provisional guarantees for project bids.

The Group considers that, in connection with the construction projects subject to this type of guarantee, no circumstances have arisen that require a provision to be recognised.

The obligations assumed are the performance of the construction work or project in accordance with the principal contract entered into. Should the Group breach the terms and conditions envisaged in the contract and, accordingly, fail to perform the construction work or project, the customer would be entitled to enforce the guarantee provided, although it would have to evidence the Group's default.

The Group considers that it has been complying with the obligations assumed with its customers in relation to the performance of the construction work or projects awarded, which is the Group's core business. Therefore, the Group considers the probability of defaulting on the contracts it performs and, consequently, of the performance bonds or guarantees provided being enforced, to be remote.

Joint and several personal financial guarantees

Also, certain Group companies had provided joint and several personal guarantees to various entities (mainly banks) as security for the credit facilities granted to other associates, which amounted to EUR 1,024 thousand at 31 December 2020 (31 December 2019: EUR 1,065 thousand).

The Parent's directors do not expect, as a result of the provision of these guarantees, any additional liabilities to arise that might affect the consolidated financial statements as at 31 December 2020.

Investment obligations

The concession operators are obliged, under the concession arrangements, to make certain investments (see Note 3.2.).

These investments will be financed through loans granted to, capital increases at, and cash flows generated by, the concession operators. Given that these are estimates and neither the amounts to be received through the loans nor the cash flows to be generated by the concessions are fixed, the amount and the timing of the capital increases at the subsidiaries that the Group would have to subscribe is not certain.

Litigation

At 31 December 2020, certain lawsuits were in process involving the Parent and/or its subsidiaries as a result of the ordinary performance of their operations.

The Group's most significant litigation relating to the Construction and Industrial Divisions is:

- In 2014 the Group reported that as a consequence of the c**ontract for the Design and Construction of the Sidra Medical Research Centre (Doha, Qatar), Qatar Foundation for Education, Science and Community Development (QF**) the joint venture (JV) between the Parent and Contrack Cyprus Ltda. (55% - 45%, respectively) had initiated arbitration proceedings on 30 July 2014, at the International Chamber of Commerce.

  The claims and counterclaims of the parties at the date of authorisation for issue of these consolidated financial statements are, on the one hand, the JV's claim for reimbursement of the amount of the enforced guarantees (QAR 880 million, EUR 195.5 million), the settlement of the unpaid contract variations carried out that had already been acknowledged in the partial award (QAR 182 million, EUR 40.4 million), the acknowledgement and settlement of the unpaid contract variations carried out for which no arbitral award has been yet been given (QAR 76 million, EUR 16.9 million) and the settlement of the construction prolongation costs in line with the prolongation period already recognised in the partial award (QAR 322 million, EUR 71.5 million). On the other hand, QF is claiming the acknowledgement of termination costs in excess of the outstanding contract price to be applied (QAR 3,636 million, EUR 807.7 million), the acknowledgement of defect repair costs (QAR 124 million, EUR 27.5 million) and the acknowledgement of contractual penalties for delay on the part of the contractor JV (QAR 792 million, EUR 175.9 million).

  Both the legitimacy and the amounts of the items included in each claim are subject to the decision of the arbitral tribunal. To date, the following items have been quantified: (i) the amount of the guarantee enforced against the JV (QAR 880 million, EUR 195.5 million), which is fixed and in any case functions as a collection right in the JV's favour; (ii) the amount of the unpaid contract variations carried out for which an arbitral award has been given (QAR 182 million, EUR 40.4 million), which is also fixed and functions as a collection right in the JV's favour; and (iii) the amount relating to defect repair costs (QAR 124 million, EUR 27.5 million), which is also fixed and functions as a collection right in favour of QF. Although there is no payment order, one will be issued, where appropriate, once all the claims and counterclaims have been determined.

  However, based on updated third-party legal reports and the interpretations thereof made by management of the Parent and the potential timing of the handing down of the related judgment, the Parent's directors reassessed the various arbitral award scenarios as a whole and concluded that, despite the current levels of uncertainty with regard to the proceedings, further losses are not likely to arise for the Group.

- On 7 February 2017, Rizzani de Eccher, SpA, Trevi, SpA and Obrascón Huarte Lain, S.A. initiated an arbitration proceeding to protect an investment against the State of Kuwait at the International Centre for Settlement of Investment Disputes (ICSID) in relation to the **"Construction, Completion and Maintenance of Roads, Overpasses, Sanitary and Storm Water Drains, as well as other Services for Jamal Abdul Nasser Street"** contract. OHL holds a 50% ownership interest in the construction joint venture. This arbitration proceeding was initiated under the international treaties for the reciprocal protection of investments entered into by the State of Kuwait with Spain and Italy and as a result of the breach thereof by the State of Kuwait through its obstructive, abusive and arbitrary actions, to the detriment of the foreign investors, in the performance of that contract.

  The joint venture submitted its claim quantifying the economic compensation to which the claimants are entitled at KWD 88.2 million (EUR 236.4 million) or, alternatively, KWD 76.6 million (EUR 205.3 million), plus (in any case) KWD 2.3 million (EUR 6.2 million), based on the assessment performed by external consultants. The State of Kuwait answered the claim and submitted a counterclaim quantified at KWD 26 million (EUR 69.7 million). The Parent's directors, based on third-party reports and the interpretations thereof made by the Parent's legal advisers, consider that it is unlikely that the resolution of the arbitration will result in a loss for the Group.

- On 12 May 2017, Judlau Contracting Inc. (a US company wholly owned by Obrascón Huarte Lain, S.A. through OHL USA Inc.) received a statement of claim from Welsbach Electric Corp. claiming from Judlau Contracting Inc. an amount initially estimated at USD 39.7 million (EUR 32.4 million). Welsbach Electric Corp. brought this claim as subcontractor of Judlau Contracting Inc. in the **"Construction of Part of Second Avenue Subway Route 132ª 72nd Street Station, Finishes, Mechanical, Electrical and Plumbing Systems, Ancillary Buildings and Entrances in the Borough of Manhattan "B" Division"** project. The litigation is being conducted at the courts of the city of New York (US). The court of first instance has ruled against Welsbach's claim.

- On 13 December 2017, Samsung C&T Corporation, Obrascón Huarte Lain, S.A. and Qatar Building Company filed a request for arbitration at the International Chamber of Commerce against Qatar Railways Company. The claim arose from the **"Design & Build Package 5 - Major Stations - Doha Metro Project"** contract. OHL holds a 30% ownership interest in the construction joint venture. The joint venture is claiming an amount initially estimated at QAR 1,500 million (EUR 333.2 million). Qatar Rail answered the claim and submitted an initial counterclaim, quantified at QAR 1,000 million (EUR 222.1 million). The arbitral tribunal declined jurisdiction, since it did not meet the requirements agreed upon in the arbitration clause at the time when the arbitration petition was filed, following which the Joint Venture filed a fresh request for arbitration, claiming an amount initially estimated at QAR 1,400 million (EUR 311 million). Qatar Rail submitted a counterclaim initially estimated at QAR 860 million (EUR 191 million).

- After having been stayed for a period of time, leave for consideration was granted to the claim brought by Obrascón Huarte Lain, S.A. against the Polish company PGB, S.A. in which OHL sought from PGB PLN 191.5 million (EUR 42 million) as a result of the liability of PGB as member of the **construction consortium for the Slowacckiego IV project, in Gdansk (Poland)**. The proceeding is still at the preliminary phase.

- The Group filed a claim for arbitration against Anesrif (Algerian National Agency for the Planning and Implementation of Railway Investments) in relation to the **Annaba railway line** construction contract. The Group is claiming EUR 200 million, based on professional valuers' reports. Anesrif has filed a counterclaim for EUR 56.9 million.

- The Group is currently involved in arbitration proceedings with Autopista Río Magdalena, S.A. (a company belonging to the Aleática, formerly OHL Concesiones, Group) resulting from disputes that arose from the **Río Magdalena toll road (Colombia)** construction contract, which led to the early termination thereof in April 2019. In this case, the Group is claiming COL 313,769 million (EUR 75.7 million), and Autopista Río Magdalena is claiming COL 1,149,659 million (EUR 273.6 million). With respect to this arbitration, Autopista Río Magdalena has taken the surety companies to court, claiming COL 127,719 million (EUR 30.4 million) for advances and COL 164,513 million (EUR 39.2 million) for the performance bond. In these proceedings the Group is a joint litigant, or third party summonsed to participate therein. The aforementioned items have been claimed by Autopista Río Magdalena in the arbitration proceeding.

  The Parent's directors, based on third-party reports and the interpretations thereof made by the Parent's legal advisers, consider that it is unlikely that the resolution of the arbitration will result in a loss for the Group.

The Group's most significant litigation relating to investments in companies in liquidation is as follows:

- In December 2019 a response was filed to the claim in proceeding 882/2019 heard by Madrid Court of First Instance No. 10, in relation 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**, which alleged, as creditors, that the borrower had certain obligations contained in the Sponsor Agreement entered into by the latter as part of the financing of the arrangement of the concession operator which is now in liquidation, **Autopista Eje Aeropuerto Concesionaria Española, S.A.U.** The economic amount of the claim is EUR 212,433 thousand, consisting of a subordinated loan, or contribution to equity, or an equivalent amount in a capital increase, or indemnity for damage and losses, plus EUR 70,869 thousand relating to late payment interest.

  The directors, based on the legal opinions of their advisers, do not consider that this claim can prevail.

- In relation to the insolvency proceeding involving Autopista Eje Aeropuerto Concesionaria Española, S.A.U. and Aeropistas, S.L.U.:

  The court order of 13 October 2015 rejected the arrangement proposals submitted and, consequently, ordered the commencement of the liquidation phase, with the legal effects that this entails, including, among others, and in accordance with case law of the Supreme Court's Chamber for Jurisdictional Conflicts, the termination of the concession arrangement.

  On 4 October 2019, the court described the company's insolvency proceedings as "fortuitous".

  Lastly, with respect to the termination of the concession arrangement, the Ministry of Public Works terminated this arrangement on 14 July 2018, as a preliminary formality to the settlement of the arrangement.

  In parallel, a proceeding related to appeal for judicial review 210/2018 commenced at the Supreme Court. This appeal has no fixed amount, and will only contend whether the date of termination of the arrangement must be the date on which the Ministry terminated the arrangement (indicated above) or the date of the liquidation order issued in the insolvency proceeding (13/10/15) and whether, in this case, the State had three months from that date to settle the arrangement and, therefore, owes late-payment interest from then, as well as what the applicable interest rate would be. This appeal has now been resolved in judgment no. 783/2020, handed down on 17 June 2020, in which the petitions set out in the appeal were found to be "premature". These petitions will be determined in the appeal described below.

  In October 2019 appeal for judicial review 276/2019 was filed by the insolvency practitioners of Autopista Eje Aeropuerto Concesionaria Española S.A. at the Third Chamber of the Spanish Supreme Court against the resolution adopted by the Spanish Cabinet on 26 April 2019 interpreting certain toll road concession arrangements in connection with the method used for calculating the "Governmental Liability" ("RPA"). This appeal challenged, inter alia:

  - The infrastructure amortisation method, which the Spanish Cabinet decided must be straight-line amortisation.

  - The amount to be paid for compulsory purchases.

  - The amount to be paid for modifications and/or additional work.

    In February 2020 the concession operator in liquidation was notified by the authorities of the preliminary amount of the settlement, which it was considered could amount to zero. In response to this document, in March 2020 the concession operator filed pleadings and documentation evidencing that the amount of the investment in the construction work exceeded EUR 400 million and that the compulsory purchase expense amounted to EUR 179 million. The Government recently issued a final ruling on this administrative proceeding, upholding its position whereby the RPA for this project could amount to zero. The company appealed this decision and asked the Supreme Court to extend its subject-matter (appeal 276/2019) to an economic quantification thereof after appropriately determining the criteria for calculating its value. This subject-matter extension request does not limit the lodging of other appeals in the event that it were not accepted.

In this connection, the Parent's directors consider that, in view of the information provided by their external advisers, all of the aforementioned appeals, as well as those that could be filed in the future, based on the procedural progress being made, the net investment, with a carrying amount of EUR 19 million, will be recovered.

- In relation to the concession operator **Cercanías Móstoles Navalcarnero, S.A. (CEMONASA)**, the initiation of the ordinary voluntary insolvency proceedings of Cercanías Móstoles Navalcarnero, S.A. was published in the Spanish Official State Gazette on 16 August 2016.

  On 15 March 2017, Madrid Commercial Court No. 1 ordered the liquidation of Cercanías Móstoles Navalcarnero, S.A., opening the liquidation phase, declaring the dissolution of the company, the removal of its directors and their substitution by the insolvency practitioners.

  Lastly, on 2 November 2017 Madrid Commercial Court No. 1 approved the company's liquidation plan within the aforementioned insolvency proceeding, which led to the continuation of the legal actions making it possible for the company to recover the RPA, as well as such items admissible under law, and the filing of such new appeals as might be required for the same purpose.

  On 20 June 2017, as a result of the imposition of a penalty on the company, the Autonomous Community Government of Madrid ("CAM") enforced the guarantees that OHL, S.A. and OHL Concesiones, S.A.U. had provided to secure performance of their obligations under that concession operator's concession arrangement. The guarantees enforced amounted to EUR 15,865 thousand. This enforcement prompted OHL, S.A. to lodge an appeal for judicial review at the Madrid High Court on the grounds that the enforcement was inadmissible. On 31 October 2019, a judgment was handed down by the Madrid High Court in relation to appeal No. 231/16 lodged by CEMONASA against the penalty, adjudging the resolution under which the penalty was imposed to be null and void. A cassation appeal was lodged against this judgment by CAM. However, this cassation appeal was refused leave to proceed on 13 November 2020 and, therefore, the judgment in CEMONASA's favour regarding the imposition of the penalty is now final.

  Also, on 21 July 2017 the concession operator was notified of the order issued by CAM's Regional Minister for Transport, Housing and Infrastructure declaring the termination of the concession arrangement, the attachment of the guarantee and the obligation to pay compensation for damage and losses to the grantor for an amount to be determined in the corresponding adversarial procedure. The concession operator lodged an appeal for reconsideration against this order, which was dismissed by CAM on 10 October 2017 and, accordingly, on 5 December 2017 the company filed an appeal for judicial review against this decision at the Madrid High Court (appeal No. 1129/17). OHL, S.A. had also lodged an appeal for judicial review (no. 1080/2017) based on the same subject-matter. At the date of authorisation for issue of these consolidated financial statements, a final judgment had been handed down in respect of each appeal, declaring the initiation of the liquidation phase of the insolvency proceeding in which the concession operator is involved to be a ground for termination of the concession arrangement.

Also, on 8 March 2018 the Madrid High Court handed down a judgment on the appeal for judicial review whereby Cercanías Móstoles Navalcarnero, S.A. applied for the termination of the concession arrangement on grounds attributable to CAM. The judgment ruled against Cercanías Móstoles Navalcarnero, S.A. and, therefore, a cassation appeal was filed at the Supreme Court, which was granted leave for consideration on 25 April 2018. The Supreme Court dismissed the cassation appeal against the aforementioned judgment and, therefore, the judgment was upheld.

Also, on 21 March 2018 the company's insolvency practitioners filed, in accordance with the approved liquidation plan, an appeal for judicial review against CAM at the Madrid High Court (No. 246/18), requesting the economic settlement of the arrangement since they considered it to be terminated on commencement of the liquidation phase of the insolvency proceeding.

A date is to be set for voting and ruling on this appeal.

On 27 July 2018, and as a result of the termination of the arrangement, CAM initiated a proceeding against CEMONASA to claim damages of EUR 355 million. An appeal for judicial review was lodged at the Madrid High Court (Appeal 1107/18) in this proceeding, in respect of which a final judgment has been handed down in CEMONASA's favour, whereby the latter is not required to pay any damages to CAM.

Lastly, as a result of termination of the arrangement by CAM which gave rise to appeal No. 1129/17, CAM announced the economic settlement of the arrangement on 20 August 2018, valued at EUR 123 million, to be paid to CEMONASA. The company is currently appealing this settlement in the administrative jurisdiction since it considers the amount to be insufficient.

Also, in October 2020 **CEMONASA** brought an administrative proceeding claiming EUR 53 million from CAM for the performance of additional construction work requested by the latter outside the scope of the concession arrangement. Since this claim was deemed dismissed due to administrative silence, the corresponding appeal for judicial review was filed at the Madrid High Court.

In line with the situation described above, the directors consider that, based on opinions of its internal and external legal advisers, the concession arrangement supports the right to recover the net investments and the amounts contributed in the form of a loan to the concession operator, with respect to which no provisions have been recognised.

- The following should be noted in relation to the **Lezo Case:**

    - Incidental proceeding 3.

    In 2016 the National Appellate Court, through Central Court of Examination No. 6, opened proceeding No. 91/2016 in relation to possible crimes including corruption in business, bribery of public officials, money laundering and organised crime.

    In the course of this proceeding, an investigation was carried out by the court against 57 individuals, including six individuals who had at one time belonged to the OHL Group but who at the reporting date did not belong to it.

At the reporting date, we are not aware of any formal accusation having been made against any current or former senior executives or directors of the OHL Group. Also, at the reporting date no actions have been taken against any company forming part of the OHL Group.

▸Incidental proceeding 8

In February 2019 the Parent became aware of the opening of a new separate incidental proceeding in this case, No. 8. The investigation deals with existence or inexistence of possible acts of bribery of public officials by Group employees for the award of public works in Spain.

Various former employees, current employees and former directors testified in court both as witnesses and as investigated parties.

At the reporting date, no actions had been taken against OHL and, accordingly, OHL does not form part of the proceeding and consequently has limited information on the procedural actions being taken.

OHL is actively cooperating with the authorities and is providing the information requested of it. An internal investigation was also conducted, in accordance with existing procedures, the findings of which were submitted to the court in July 2020.

In procedural terms, the Lezo Case is at the investigation phase.

Additionally, various claims have been filed against the Group by former employees whose employment relationships it had terminated, which are not for significant amounts either taken separately or as a whole.

In addition to the aforementioned litigation, the Group is involved in minor lawsuits arising from the ordinary course of its operations, none of which are for a significant individual amount.

Contingent liabilities

The contingent liabilities include the normal liability of construction companies for the performance and completion of construction contracts they have entered into, as well as those entered into by UTEs in which they have interests. There is also a secondary liability for the obligations of the Group's subcontractors to the social security system with respect to their site employees. No losses are expected to be incurred by the Group in this connection.

On 10 March 2021, the Technical Secretariat of the Peruvian Commission for the Protection of Competition recommended that the Commission for the Protection of Competition penalise the Parent for alleged horizontal agreements and concerted practices in relation to public procurement in Peru from 2002 to 2016. The penalty was initially valued at USD 51 million. The administrative proceeding is currently at the first instance stage and, at the reporting date, no penalty had been imposed against the Parent at this administrative instance, and the directors considered that there was insufficient evidence to warrant the recognition of any provisions in this connection at the end of 2020.

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Disclosures on the payment periods to suppliers. Additional Provision Three. "Disclosure obligation" provided for in 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 Audit Institute (ICAC) Resolution of 29 January 2016 implemented the disclosure obligation provided for in Additional Provision Three of the aforementioned 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.

The disclosures on the average period of payment, ratios of transactions settled and transactions not yet settled, and total payments made and outstanding at 31 December 2020 and 2019 are as follows:

Days

	2020	2019
Average period of payment to suppliers	80	78
Ratio of transactions settled	79	79
Ratio of transactions not yet settled	82	69

Thousands of euros

	2020	2019
Total payments made	417,456	591,389
Total payments outstanding	81,363	80,302

The average period of payment, excluding transactions between Group companies, is calculated as the quotient whose numerator is the sum of the ratio of transactions settled multiplied by the total amount of the payments made plus the sum of the ratio of transactions not yet settled multiplied by the total amount of outstanding payments, and whose denominator is the result of adding the total amount of the payments made to the total amount of the outstanding payments.

The ratio of transactions settled is the sum of the products of the amount of each transaction multiplied by the number of days elapsed until payment, divided by the total amount of the payments made.

The ratio of transactions not yet settled is the sum of the products of the amount of each transaction not yet settled multiplied by the number of days until the last day of the year divided by the total amount of the aforementioned payments.

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

The companies which, taken separately, exceed the legal limit of the ratio of transactions not yet settled are taking measures to comply therewith.

Remuneration of directors and senior executives and conflicts of interest

Remuneration of the Board of Directors

The remuneration of the Board of Directors is regulated by Article 24 of the bylaws and the Directors' Remuneration Policy approved, as established in Article 529 novodecies of the Spanish Limited Liability Companies Law, by the shareholders at the Annual General Meeting held on 15 June 2020, for 2020 and the following three years, and which established annual maximum remuneration for the non-executive directors, for the performance of their general function as directors, of **one million four hundred thousand euros (EUR 1,400,000)**, with the distribution criteria approved by the Board of Directors itself on that same date and which is included in the aforementioned Remuneration Policy, and there are no variable components in the remuneration of the non-executive directors.

In 2020, taking into account the foregoing and the current composition of the Board of Directors and its committees, the annual remuneration for the non-executive directors, for discharging their general function as directors, amounted to **EUR 1,214 thousand**. In 2020, as in prior years, the non-executive directors did not receive any kind of benefits. This fixed remuneration for their functions is compatible with, and independent from, remuneration, termination benefits, pensions and compensation of any kind received by those members of the Board of Directors as a result of the employment relationship with, or the rendering of services to, the Parent.

The Board of Directors of the Parent, on this same date, prepared the Annual Report on Directors' Remuneration, as established in Article 541 of the Spanish Limited Liability Companies Law, with an individualised breakdown of all items earned in 2020 by each director. Following is an individualised detail of the remuneration earned by each director in his or her capacity as such in 2020, excluding the remuneration earned for executive functions, which is subsequently disclosed (in euros):

Directors	Attendance fees
Luis Fernando Martín Amodio Herrera (non-executive proprietary) (*)	65,002
Julio Mauricio Fernando Martín Amodio Herrera (non-executive proprietary) (*)	65,002
Juan Villar-Mir de Fuentes (non-executive proprietary)	125,482
Silvia Villar-Mir de Fuentes (non-executive proprietary)	115,962
Carmen de Andrés Conde (non-executive independent) (**)	147,502
César Cañedo-Argüelles Torrejón (non-executive independent)	125,482
Javier Goñi del Cacho (non-executive proprietary) (***)	43,680
Juan Antonio Santamera Sánchez (other non-executive)	125,482
Juan José Nieto Bueso (non-executive independent)	174,520
Manuel Garrido Ruano (non-executive proprietary) (****)	60,480
Reyes Calderón Cuadrado (non-executive independent)	152,462
Total	**1,201,056**

(*) Attendance fees accrued since 15 June 2020, the date on which he was appointed as a director.
(**) Attendance fees accrued since 15 June 2020 as Chair of the Guarantee Committee.
(***) Attendance fees accrued up to 5 May 2020, the date on which he resigned as a director.
(****) Attendance fees accrued up to 4 June 2020, the date on which he resigned as a director.

Additionally, the emoluments earned by the directors include the travel expenses of non Spanish resident directors, relating to the discharge of their duties on the Board of Directors. In 2020 these expenses amounted to EUR 33 thousand (2019: EUR 0).

In 2020 the executive director earned total remuneration of EUR 2,234 thousand for his executive functions (2019: EUR 2,600 thousand). In 2020 no other benefits relating to life insurance premiums were paid (2019: EUR 36 thousand) and, as was also the case in 2019, no contributions were made to the employee benefit plan.

No advances or loans have been granted to the Board members.

The members of the Board of Directors and the senior executives are insured by a third-party liability insurance policy which cost EUR 773 thousand in 2020.

Remuneration of senior executives

The remuneration earned by the Group's senior executives in 2020 -excluding those who are also members of the Board of Directors (whose remuneration is detailed above)- amounted to EUR 11,799 thousand (2019: EUR 9,320 thousand), of which EUR 5,159 thousand correspond to variable remuneration (2019: EUR 3,421 thousand).

Conflicts of interest

At 31 December 2020, 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 2020.

Fees paid to auditors

The detail of the fees for financial audit and other services provided by the auditors, or by other companies related to the auditors, of the companies comprising the Group's continuing operations in 2020 and 2019 is as follows:

Thousands of euros

	Principal auditor		Other auditors		Total	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
Financial audit services	1,241	1,156	700	648	1,941	1,804
Other attest services	225	91	5	4	230	95
Total audit and related services	**1,466**	**1,247**	**705**	**652**	**2,171**	**1,899**
Tax counselling services	109	74	23	44	132	118
Other services	148	44	4	1	152	45
Total professional services	**257**	**118**	**27**	**45**	**284**	**163**
Total	**1,723**	**1,365**	**732**	**697**	**2,455**	**2,062**

"Financial Audit Services" includes the fees for professional services provided by the auditors, in their capacity as such, normally due to regulatory requirements, such as statutory audits, reports on reviews of internal control, limited reviews of periodic public information performed at listed companies, etc.

"Other Attest Services" includes the fees for professional services in which some kind of assurance is expressed, but which are not regulated by any mandatory legislation, such as one-off limited reviews, special reports on security placement processes, agreed-upon procedures reports, covenant reports, etc.

"Tax Counselling Services" includes the fees for the provision of services relating to all forms of tax counselling.

"Other Services" includes the fees for the other professional services not included in the above line items which, by nature, are more akin to consultancy or independent third-party services.

Events after the reporting period

- **On 21 January 2021,** the commencement of a process to refinance/capitalise the Parent by its main bondholders and shareholders was reported to the market. Due to the significance of the agreement, the inside information reported is transcribed in full below:.

  The Company reports that Forjar Capital, S.L.U. and Solid Rock Capital, S.L.U., controlled by Luis Fernando Martín Amodio Herrera and Julio Mauricio Martín Amodio Herrera ("the Amodio Shareholders") and Grupo Villar Mir, S.A.U. ("GVM" and, together with the Amodio Shareholders, "the Main Shareholders") and a group of holders of the bonds (as defined below) issued by the Company, consisting of Beach Point Capital Management LP, Marathon Asset Management, Melqart Asset Management (UK) Ltd, Sand Grove Capital Management LLP and Searchlight Opportunities Fund GP, L.P., jointly representing 57.3% of the principal amount of the bonds ("the Ad Hoc Group"), have reached an agreement to support a transaction to recapitalise the Company and renegotiate certain of the Group's financial debt ("the Transaction"). The Transaction includes the renegotiation of the terms and conditions of the Company's bond issues identified as: (i) "€400,000,000 4.750% Senior Notes due 2022" (ISIN Code XS1043961439) (of which EUR 323,000,000 of the principal amount are outstanding); and (ii) "€325,000,000 5.50% Senior Notes due 2023" (ISIN Code XS1206510569) (of which EUR 269,900,000 of the principal amount are outstanding ("the Bonds"). The purpose of the Transaction is to improve the Group's financial position and the sustainability of its debt through a gradual reduction of its indebtedness and to reinforce its capital structure.

  The agreement reached in respect of the bases of the Transaction was formalised in a lock-up agreement ("the Lock-Up Agreement") regulating, among other matters, the essential terms and conditions of the Transaction, the implementation process to be followed in the coming months and the parties' undertaking to support, facilitate and implement the Transaction. The Lock-Up Agreement is subject to the fulfilment of certain conditions typical of arrangements of this nature, including obtainment of the consent of the Group's creditor banks.

  The basic pillars of the Transaction, described in detail below, are as follows: (i) an equity injection into the Company through the performance of (a) a monetary capital increase with shareholder pre-emption rights for a total amount (par value plus share premium) of EUR 35,000,000 ("the Rights Issue") and (b) a second monetary capital increase with exclusion of pre-emption rights addressed to the Amodio Shareholders and Tyrus Capital Event, S.à r.l. and/or Tyrus Capital Opportunities, S.à r.l. (jointly, "Tyrus"), as detailed below; the Amodio Shareholders have undertaken to invest, through capital increases, a total joint total effective amount (par value plus share premium) of EUR 37,000,000, while Tyrus has undertaken to invest, through capital increases, a total effective amount (par value plus share premium) of EUR 5,000,000; (ii) the renegotiation of the terms of the bonds through a combination of a write-off, the capitalisation of a portion of the bond principal by means of a capital increase through the conversion of loans and the exchange of the surviving bonds following the write-off and capitalisation for newly-issued secured bonds, as described in detail in Section 3 (Amendment of the terms and conditions of the Bonds) ("the New Bonds"); and (iii) the corporate restructuring of the Group, so that a substantial portion of the business is subsequently performed by a newly-created subsidiary that has its registered office in Spain ("New OHL") and is wholly controlled by the Company, albeit through several Luxembourg intermediary companies, each of which shall be directly or indirectly controlled by the Company ("the Hive-down").

The main terms and conditions of the Transaction, and the implementation process relating thereto, are described in further detail below:

1. Accession to the Lock-Up Agreement and court approval of the Scheme

As indicated at the beginning, the bases of the Transaction were formally agreed upon in the Lock-Up Agreement entered into by the Key Shareholders and the Ad Hoc Group.

A process of accession will commence, whereby the holders of the Bonds ("Bondholders") not forming part of the Ad Hoc Group will be invited to accede to the Lock-Up Agreement. The Bondholders that accede to the Lock-Up Agreement will be required to elect for Option 1 or Option 2 (as defined below) upon accession thereto, and will be subject to certain trading restrictions in respect to their Bonds. For this purpose, Lucid Issuer Services Limited was appointed as the calculation agent ("the Calculation Agent") in relation to the Lock-Up Agreement. For further information on the Transaction and the procedure for acceding to the Lock-Up Agreement, the Bondholders should contact the Calculation Agent via www.lucid is.com/ohl or by email to ohl@lucid-is.com.

Bondholders wishing to accede to the Lock-Up Agreement should complete and sign a letter of accession (per the model attached to the Lock-Up Agreement), and send it to the Calculation Agent as soon as possible. They should also demonstrate their ownership of the Bonds under separate cover.

All Bondholders acceding to the Lock-Up Agreement by no later than 5 p.m. (London time) on 5 February 2021 (or on any other date determined under the Lock-Up Agreement) ("the Early Accession Deadline") will be entitled to receive a fee ("the Lock-Up Fee") in accordance with the terms and conditions of the Lock-Up Agreement in an amount equal to EUR 0.02 per euro of the principal amount of the Bonds of each Bondholder, and which will be payable in New Bonds.

Once the Company has achieved the necessary support from its creditors, it will accede to the Lock-Up Agreement and subsequently request the opening of a court approval procedure under UK law (known as a scheme of arrangement under Part 26 or Part 26A of the UK Companies Act 2006) in order to implement the Transaction ("the Scheme"). Following the approval of the Scheme by the UK court, the terms and conditions thereof will be binding on all of the Bondholders (irrespective of whether or not they voted in favour of the Scheme), and the Transaction will be implemented.

2. Investment Commitment, Rights Issue and Private Placement

The Amodio Shareholders have undertaken to inject a total effective amount of EUR 37,000,000 into the Company (in proportion to the ownership interest held by each of them in the Company's share capital) ("the Amodio Equity Commitment"). The Amodio Equity Commitment will be fulfilled through the subscription of shares issued as a result of the Rights Issue and of the Private Placement (as defined below).

Following approval of the Scheme by the UK court, and subject to approval of the Transaction and the related corporate resolutions by the shareholders of the Company at an Extraordinary General Meeting called for this purpose, it is expected that the Company will carry out the Rights Issue for a total effective amount (par value plus share premium) of EUR 35,000,000, in all cases respecting the pre-emption rights of the Company's existing shareholders. The price at which the shares shall be issued in the Rights Issue will be EUR 0.36 per share.

Prior to the Rights Issue, the Company intends to perform a capital reduction by reducing the par value of its shares.

In addition, Tyrus has undertaken to invest EUR 5,000,000 between the Rights Issue and the Private Placement (as defined below) ("the Tyrus Equity Commitment" and, together with the Amodio Equity Commitment, "the Total Equity Commitment").

In fulfilling the Amodio Equity Commitment, the Amodio Shareholders have undertaken to exercise their pre-emption rights in the Rights Issue the pre-emption period. Also, the Amodio Shareholders and Tyrus have undertaken to underwrite the Rights Issue in full; the Amodio Shareholders in the proportion resulting from dividing the Amodio Equity Commitment by the Total Equity Commitment (i.e., 88.10%), and Tyrus in the proportion resulting from dividing the Tyrus Equity Commitment by the Total Equity Commitment (i.e., 11.90%).

Following the performance of the Capital Increase with Rights, the Parent shall perform a second capital increase without pre-emption rights at a price of EUR 0.36 per share, aimed exclusively at the Amodio Shareholders and Tyrus ("the Private Placement"). The amount of the Private Placement will be the sum of (i) an amount to be subscribed by the Amodio Shareholders equal to the Amodio Equity Commitment reduced by the amount subscribed by the Amodio Shareholders in the Rights Issue; and (ii) an amount to be subscribed by Tyrus equal to the Tyrus Equity Commitment reduced by the amount subscribed by Tyrus in the Rights Issue.

In the event that the Rights Issue is subscribed in full by the shareholders/ investors, the maximum amount of the Private Placement will be EUR 36,400,000, of which EUR 31,400,000 will correspond to the Amodio Shareholders and EUR 5,000,000 to Tyrus.

As consideration for their role in the structuring of the Transaction and the Amodio Equity Commitment, the Amodio Shareholders will receive a structuring and equity commitment fee of EUR 1,750,000 ("the Structuring and Commitment Fee"), which will be converted into new shares of the Company by means of a capital increase through the conversion of debt into capital at a price per share equal to that of the Rights Issue.

The aforementioned measures shall be submitted for approval by the shareholders at the Extraordinary General Meeting that the Company intends to call as soon as possible following the request for approval of the Scheme and once all the necessary contractual, corporate and accounting documentation has been prepared.

The terms and conditions of the Rights Issue, the Private Placement and the capitalisation of the Structuring and Commitment Fee will be included in a prospectus ("the Prospectus") that the Company plans to submit to the Spanish National Securities Market Commission (CNMV) for approval once the Scheme has been approved by the UK court.

3. Amendment of the terms and conditions of the Bonds

As indicated previously, the amendment of the Bond terms and conditions consists of: (i) the capitalisation of a portion of the Bond principal; (ii) a partial write-off of the Bonds; and (iii) the issuance of New Bonds.

For these purposes, the Bondholders will be offered the possibility of choosing one of the following options under the Scheme ("the Scheme Election Process"):

- ***Option 1:** a Bondholder that selects Option 1 ("an Option 1 Bondholder") will receive, for every EUR 1,000 of Bond principal, EUR 880 of the principal amount of New Bonds ("the Option 1 Instruments") plus, if applicable, EUR 20 of New Bonds as a Lock-Up Fee; or*

- ***Alternativa 2:** un Bonista que elija la Alternativa 2 (un "Bonista de la Alternativa*

2") recibirá, (i) hasta el 38,25% del importe principal de sus Bonos y por cada €1.000 del importe principal de los Bonos, €680 de importe principal de Nuevos Bonos y €300 de acciones nuevas a un precio de 0,74€ por acción (la "Capitalización de los Bonos") (los "Instrumentos de la Alternativa 2"), más, en su caso, €20 de Bonos Nuevos en concepto de Comisión de Lock-Up; y (ii) respecto del restante 61,75% del importe principal de sus Bonos, el Bonista de la Alternativa 2 recibirá Instrumentos de la Alternativa 1, más, en su caso, €20 de Bonos Nuevos en concepto de Comisión de Lock-Up.

The Bonds of Bondholders who fail to communicate their choice between Option 1 and Option 2 within the established period and in accordance with the Scheme Election Process, will be assigned Option 1.

Pursuant to the terms and conditions of the Lock-Up Agreement, the option selected by the Bondholders in the Scheme must be the same as the option chosen when entering into the Lock Up Agreement.

In this connection, in order to ensure that a minimum amount of the Bonds are subject to Bond Capitalisation, certain members of the Ad Hoc Group have undertaken to elect Option 2 and to backstop the full allocation of Option 2 Instruments in the event that they are not taken up in full in the Scheme Election Process ("the Backstop Providers"). As consideration for the foregoing, the Backstop Providers will be remunerated through payment of a fee ("the Backstop Fee") equal to 5% of the value of the Bond Capitalisation, which will be capitalised at a conversion price of EUR 0.36 into newly issued fully paid ordinary shares of the Company.

If, at the Early Accession Deadline, Bondholders holding at least 75% of the outstanding principal of the Bonds (not including the Bonds held by the Backstop Providers):

***a)** have acceded to the Lock-Up Agreement; and*

***b)** have elected to participate in the Scheme as Option 1 Bondholders, then, for a period of two business days following the date of the Early Accession Deadline (the "Backstop Deadline"), the Backstop Providers will have the right to submit a notice electing to take up the full allocation of Option 2 Scheme Entitlements (the "Backstop Provider Election Notice").*

If the Backstop Providers send a Backstop Provider Election Notice by the Backstop Deadline: (i) the Backstop Providers will be excluded from the Scheme; and (ii) any Bondholders that have selected Option 2 may decide to withdraw from the Lock-Up Agreement with respect to their Bonds within a period of five working days of the Backstop Provider Election Notice. Any such Bondholder who does not opt to withdraw from the Lock-Up Agreement will be considered to be an Option 1 Bondholder.

If the Backstop Providers have not sent a Backstop Provider Election Notice by the Backstop Deadline, such entitlement will immediately cease to exist and no action or notifications will be required from any party.

Capital increases through the conversion of debt into capital relating to the Bond Capitalisation and the Backstop Fee, which must be approved at the Extraordinary General Meeting of the Company scheduled to be called at a later date, will also be included in the Prospectus mentioned in Section 2 above (Equity Commitment, Rights Issue and Private Placement).

As a condition for receiving shares of the Company in a Bond Capitalisation scenario, each Option 2 Bondholder will be required to undertake, for the benefit of the Company's other shareholders, to refrain from voting against the proposals made by the Company's Board of Directors when shareholders meetings are called at any such meetings of the Company, and to refrain from *proposing the appointment of a proprietary director, provided that certain conditions are met, for a period of three (3) years following the implementation of the Transaction (which may be extended by a further three (3) years under certain circumstances). These conditions relate to the achievement of certain financial and business development indicators of the Company, its shareholder structure and the composition of its Board of Directors, fulfilment of the Company's obligations under the New Bonds and the absence of any material adverse changes affecting the Company's business, its ability to meet its obligations under the New Bonds and the validity or enforceability of any guarantees.*

The aforementioned limitations shall apply to any Option 2 Bondholder group company, but not to third-party buyers, successors or assignees of the shares received under the Transaction.

The aforementioned restrictions on the voting rights of each Option 2 Bondholder (and any company in its group to which the shares received in the Transaction are transferred) are subject to the conclusion of the discussions with the CNMV in terms that are satisfactory for the Company, the Amodio Shareholders and certain members of the Ad Hoc Group.

The main terms and conditions of the New Bonds are as follows:

(i)) Issuer

The Issuer of the New Bonds will be New OHL.

(ii) Principal

The total principal of the New Bonds will be determined in accordance with the outcome of the Scheme Election Process and may not exceed EUR 488.3 million. The New Bonds will be issued at an issue price of 100%.

(iii) Interest rate

The New Bonds will bear interest at 5.1%, payable on a half-yearly basis on 15 March and 15 September each year, with the first interest payment date being 15 September 2021.

Also, subject to certain adjustments, the New Bonds will accrue annual payment-in-kind (PIK) interest at 1.5% up to (but not including) 15 September 2023, from which time the interest rate will increase to 4.65%. At each interest payment date, the PIK interest on the New Bonds will be capitalised and added to the aggregate outstanding principal amount of the New Bonds.

(iv) Maturity

50% of the principal of the New Bonds will mature on 31 March 2025 (this amount will be reduced by any redemption or repurchases of the New Bonds up until that date). The remaining principal of the New Bonds will mature on 31 March 2026.

(v) Early redemption

The New Bonds may be redeemed early, whether partially or fully and at any time, at the Issuer’s discretion, for the full outstanding principal amount (not including any PIK interest that has not been capitalised at the time of the redemption), together with the accrued interest payable (the uncapitalised PIK interest is payable in cash).

(vi) Guarantees

The New Bonds will be guaranteed, on an unsubordinated basis, by the Company, New HoldCo 1 and New HoldCo 2 (as defined below) and certain subsidiaries of New OHL (together, "the Guarantors"), which will jointly represent 46.62% of the Company's net sales for the nine-month period ended 30 September 2020 ("the Guarantees").

The New Bonds will also be guaranteed by means of security interests ("the Security Interests"), including security interests in shares of New OHL, New HoldCo 1, New HoldCo 2 and certain Guarantors, security interests in certain loans and other rights held by the Company and its subsidiaries, and security interests in certain bank accounts, which will be shared among the New Bonds and other financial creditors of the Company. The Guarantees and Security Interests will be subject to the terms and conditions of an intercreditor agreement with other financial creditors of the Company, and it will take into consideration the personal guarantees and security interests existing in favour of those financial creditors.

(vii) Seniority ranking

The New Bonds will constitute direct, unconditional and unsubordinated obligations of New OHL. The New Bonds will be ranked on an equal footing, without any prioritisation whatsoever among them or with respect to other existing or future unsubordinated debt of New OHL.

(viii) Other terms and conditions

The New Bonds will be subject to other terms and conditions that are typical for bonds of this kind, including covenants. The New Bonds will not include covenants relating to the achievement of financial ratios. In addition, the New Bonds shall envisage an undertaking by New OHL to make an offer to buy back the New Bonds at a repurchase price equal to the full principal amount outstanding at that time in the event of certain circumstances entailing a change of control or certain events of default.

The New Bonds will include an asset sale system that will require the Company, subject to fulfilment of certain prior undertakings, to redeem the New Bonds early in the event that certain assets are sold, and that will regulate the use of the proceeds from the sale of such assets. The New Bonds will also include a system enabling the Company to increase, for a specific period of time (through new guarantee lines or by increasing existing guarantee lines), guarantee lines that can benefit from the same package of guarantees as the New Bonds. Any breach of the terms and conditions of the guarantee line system will give rise to an increase in the PIK interest on the New Bonds.

4. Hive-down

As indicated previously, a fourth key element of the Transaction consists of the Hive-down, whereby the Company will contribute a substantial portion of OHL's business, in the form of its most significant subsidiaries, to New OHL, the Spanish company that will directly or indirectly carry on most of the Company's current operations in the future.

The Company and New OHL will have two newly-incorporated, Luxembourg-resident intermediary companies ("New HoldCo 1" and "New HoldCo 2").

The Hive-down, which must also be approved by the shareholders at the Extraordinary General Meeting, is a customary measure in financial restructuring processes of this nature, having recently been adopted in similar situations in Spain and other European jurisdictions.

The Hive-down is expected to be implemented once the transactions detailed in sections 1, 2 and 3 above have been completed, and it will be concluded as soon as possible thereafter.

5. Approval

Following the completion and effectiveness of the transactions established in sections 1, 2 and 3 above, the Company will execute a restructuring agreement covering the terms of the Transaction and request judicial approval by the Spanish courts.

The Company will continue to duly report all relevant matters relating to the Transaction.

• **On 10 February 2021,** it was reported to the market that the Parent had obtained the backing of 93% of the Bondholders for the restructuring thereof. Due to the significance of the agreement, the inside information reported is transcribed in full below:.

Further to inside information communications nos. 679 and 716, of 21 January and 5 February, respectively (the "Communications"), the Company reports that Bondholders representing approximately 93% of the Bond principal have acceded to the Lock-Up Agreement by the Early Accession Deadline. Also, Bondholders representing more than 75% of the outstanding Bond principal (not including the Bonds held by the Backstop Providers) have elected to participate in the Transaction as Option 1 Bondholders. On the basis of this information, the Backstop Providers have exercised their right to subscribe in full the Option 2 Instruments.

Accordingly, the Parent informs the Bondholders (except for the Backstop Providers) that have selected Option 2 (representing less than 2.5% of the Bond principal) that they may decide to withdraw from the Lock-Up Agreement with respect to their Bonds within a period of five working days of the date of the Backstop Provider Election Notice (9 February 2021). If those Bondholders do not exercise this right, they will automatically be considered to be Option 1 Bondholders.

The terms defined herein shall have the meaning attributed to them in the Communications.

• **On 22 February,** the Extraordinary General Meeting was called to take place at first call on 25 March, and at second call, on 26 March, at which the shareholders will approve any pertinent procedures to implement the Transaction to refinance and recapitali se the Group's Parent.

• **On 24 February,** all the conditions precedent affecting the dation in payment and debt acknowledgement agreement entered into by the Parent, Grupo Villar Mir, S.A.U. and Inmobiliaria Espacio, S.A.U. had been met, with the shares of Pacadar, S.A. having been transferred to OHL, S.A. as partial payment of the GVM debt (see Note 3.10.).

Explanation added for translation to english

These consolidated financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (see Note 2.1). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

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