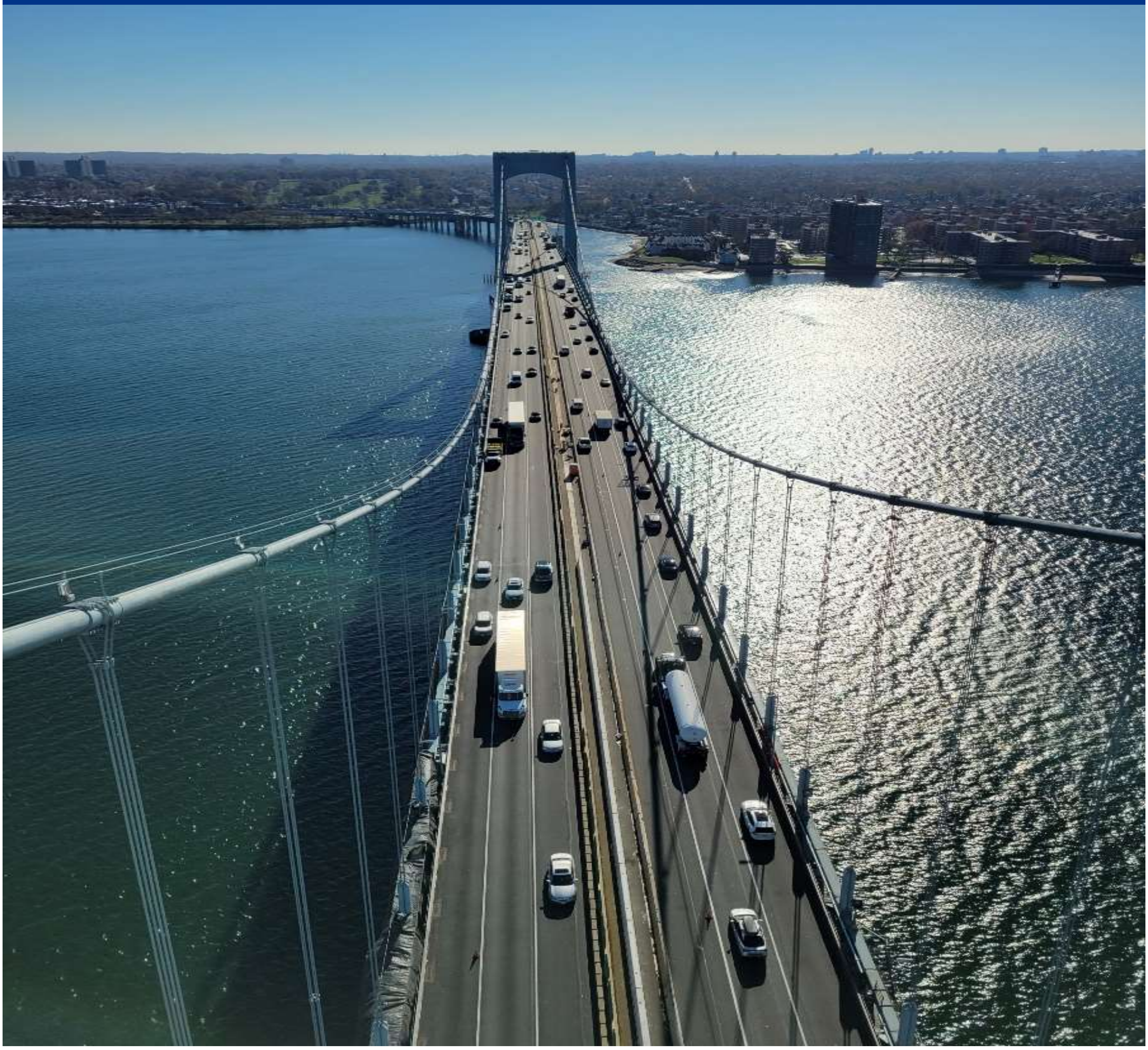

OBRASCÓN HUARTE LAIN, S.A.

Financial Statements and Management Report for the year ended 31 December 2023, together with the Independent Auditor's report

Audit Report on the Financial Statements issued by an Independent Auditor

OBRASCÓN HUARTE LAIN, S.A.
Financial Statements and Management Report for the year ended 31 December 2023

(Free translation from the original in Spanish)

Ernst & Young, S.L.
C/ Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
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ey.com

AUDIT REPORT ON FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of an audit report and Financial Statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See note 22)

To the shareholders of OBRASCÓN HUARTE LAIN, S.A.:

Report on the financial statements

Opinion

We have audited the financial statements of OBRASCÓN HUARTE LAIN, S.A. (the "Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss, the statement of changes in equity, the statement of cash flows, and the notes thereto, for the year then ended.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework in Spain (identified in Note 2.1 to the accompanying financial statements) and, in particular, the accounting principles and policies set forth therein.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned regulations.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the disclosures in Note 9.8 to the accompanying financial statements regarding liquidity risk, which states, among other things, that the Company's directors are closely monitoring the liquidity position, focusing especially on cash flow generation from the businesses and improvement of working capital.

That Note also says that there are aspects that could give rise to uncertainties regarding execution of the business plan in 2024 and occasional liquidity stress, prompting management to take steps to shore up liquidity and reduce debt, such as releasing part of its restricted cash and disposing of certain assets. These circumstances, in addition to others mentioned in that Note, imply a material uncertainty that could cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter paragraph

We draw attention to Note 13.3.2 to accompanying financial statements regarding the arbitration proceedings of which the Company is party related to the Hospital de Sidra (Qatar) project. As described in that Note, partial awards have been made but the outcome of the arbitration as a whole is still uncertain. Despite the uncertainties, the directors estimate that it is unlikely that the Company will suffer any additional economic loss. Accordingly, there are uncertainties at present that could affect the final resolution of the arbitration, so the directors could have to modify their estimate significantly in future periods. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter discussed under the *Material uncertainty for a going concern* section, we determined that the circumstances described below are key audit matters that would require disclosure in our audit report.

Recognition of revenue from construction contracts

Description	As described in Note 4.11 to the accompanying financial statements, revenue is recognised using the percentage of completion method. Under this method, revenue is recognised based on costs incurred relative to total costs to be incurred. This requires measuring the proportion that costs incurred bear to total budgeted costs at the measurement date, and recognising revenue and margins in proportion to the total expected revenue and margins. The recognition of revenue from these contracts requires Company management to make significant estimates regarding, *inter alia*, the total costs required to perform the contract or the estimate of the margin considered in forecast revenue and estimated costs to be incurred, as well as the amount of any potential modifications and claims over the original contract that will finally be accepted by the customer.

Due to the significance of the amounts involved, since this affects a considerable amount of total "Revenue" and the measurement of amounts to be billed for construction work performed, recognised in "Trade and other receivables" amounting to EUR 171,625 thousand at 31 December 2023, as well as the complexity inherent in these estimates, which require Company management to make judgements in determining the assumptions considered, such that changes in these assumptions could give rise to material differences in the revenue recorded, we determined this to be a key audit matter.

Information on the measurement bases used for these assets and the related disclosures on revenue are provided in Notes 4.11, 9.3 and 17.1 to the accompanying financial statements.

Our response

In relation to this matter, our audit procedures included:

- Understanding the process used by Company management and directors for revenue recognition and evaluating the design, implementation and operating effectiveness of the relevant controls established in that process.
- Selecting a sample of projects considering both quantitative and qualitative criteria, for which we obtained the related contracts to read and understand the most relevant clauses and their implications.
- Evaluating, for those contracts, the reasonableness of the assumptions used by Company management that affect revenue recognition by holding meetings with technical staff and managers in charge of carrying out projects, and analysing the reasons for any deviations between planned and actual costs and their impact on the estimate of the projects' margins.
- Analysing trends in margins relative to changes in selling prices and total budgeted costs.
- Evaluating the reasonableness of the estimate of amounts to be billed for construction work performed recognised as revenue at year-end, by verifying the situation of negotiations with customers of the main contracts and reviewing the reasonableness of the documentation supporting the probability of their recovery.
- Reviewing the disclosures made in the notes to the financial statements in conformity with the applicable financial reporting framework.

Other information: Management report

Other information refers exclusively to the 2023 management report, the preparation of which is the responsibility of the Company's directors and is not an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility for the management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that certain information included in the non-financial statement, certain information in the Annual Corporate Governance Report and the Annual Report on Director Remuneration, as defined in the Audit Law, was provided in the manner as stipulated in the applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the management report with the financial statements, based on the knowledge of the Company obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to report that fact.

Based on the work performed, as described above, we have verified that the information referred to in a) above has been provided as stipulated by applicable regulations and that the remaining information contained in the management report is consistent with that provided in the 2023 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the directors and the Audit and Compliance Committee for the financial statements

The directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the financial reporting framework applicable to the Company in Spain, identified in Note 2.1 to the accompanying financial statements, and for such internal control as they determine necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit and Compliance Committee is responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Entity's Audit and Compliance Committee regarding, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Entity's Audit and Compliance Committee with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Entity's Audit and Compliance Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European Single Electronic Format

We have examined the digital file of the European single electronic format (ESEF) of Obrascón Huarte Lain, S.A. for the 2023 financial year, consisting of an XHTML file containing the financial statements for the year, which will form part of the annual financial report.

The directors of Obrascón Huarte Lain, S.A. are responsible for submitting the annual financial report for the 2023 financial year in accordance with the format requirements set out in the European Commission Delegated Regulation (EU) 2019/815, of 17 December 2018 (the "ESEF Regulation").

Our responsibility consists of examining the digital file prepared by the Company's directors in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the financial statements included in the aforementioned digital file correspond in their entirety to those of the financial statements that we have audited, and whether the financial statements and the aforementioned file have been formatted, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital file examined corresponds in its entirety to the audited financial statements, which are presented, in all material respects, in accordance with the ESEF Regulation.

Additional report to the Audit and Compliance Committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Company's Audit and Compliance Committee on 29 April 2024.

Term of engagement

At the Annual General Meeting held on 15 June 2020, we were appointed auditor for three years, from the year ended 31 December 2021.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signed on the original version In Spanish)

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José Enrique Quijada Casillas
(Registered in the Official Register of Auditors under No. 15310)

April 29, 2024

OBRASCÓN HUARTE LAIN, S.A.

Separate financial statements for the year ended 31 December 2023

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FINANCIAL STATEMENTS

SEPARATE FINANCIAL STATEMENTS

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

EUR Thousand

Statement of financial position as at 31 December 2023 and 2022

ASSETS	Note	31/12/2023	31/12/2022
NON-CURRENT ASSETS			
Intangible assets	5		
Patents, licenses, trademarks and similar rights		10	11
Computer software		2.033	2.422
Other intangible assets		663	615
		2.706	**3.048**
Property, plant and equipment	6		
Land and buildings		718	722
Machinery and technical installations		19.033	23.565
Other installations, equipment and furniture		4.537	4.357
Investments in concessions		34	34
Other property, plant and equipment		15.371	13.283
Property, plant and equipment under construction and advances		182	-
		39.875	**41.961**
Investment properties			
Land		4	4
Buildings		756	772
		760	**776**
Non-current investments in group companies and associates			
Equity instruments	8	602.195	1.329.824
Loans to companies	9.1	8.691	84.902
		610.886	**1.414.726**
Non-current financial assets	9.2		
Equity instruments		13	13
Debt securities		3.380	2.091
Derivatives		196	313
Other financial assets		8.902	10.052
		12.491	**12.469**
Deferred tax assets	15.5	**22.346**	**36.998**
TOTAL NON-CURRENT ASSETS		**689.064**	**1.509.978**
CURRENT ASSETS			
Non-current assets held for sale	9.6.1	**36.508**	-
Inventories	10		
Raw materials and other supplies		16.346	13.975
Auxiliary shop projects and site installations		3.754	18.346
Advances to suppliers and subcontractors		21.916	16.940
		42.016	**49.261**
Trade and other receivables			
Trade receivables	9.3	333.850	314.451
Trade receivables from group companies	9.4	29.744	17.504
Trade receivables from associates	9.5	5.581	6.247
Other receivables		55.509	21.917
Employee receivables		610	876
Current tax assets	15.1	30.604	29.418
Other tax receivables	15.1	7.160	12.858
		463.058	**403.271**
Current investments in group companies and associates	9.6		
Loans to companies		44.153	117.549
Other financial assets		92.479	49.807
		136.632	**167.356**
Current financial assets	9.7		
Equity instruments		3	3
Loans to companies		876	2
Other financial assets		185.591	180.644
		186.470	**180.649**
Current prepayments and accrued income		**11.857**	**17.479**
Cash and cash equivalents	11		
Cash		125.506	85.029
Cash equivalents		8.408	6.236
		133.914	**91.265**
TOTAL CURRENT ASSETS		**1.010.455**	**909.281**
TOTAL ASSETS		**1.699.519**	**2.419.259**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of financial position as at 31 December 2023.

EUR Thousand

Statement of financial position as at 31 December 2023 and 2022

Equity and liabilities	Note	31/12/2023	31/12/2022
EQUITY			
SHAREHOLDERS' EQUITY			
Capital			
Registered capital	12.1	147.781	147.781
Share premium	12.3	1.205.479	1.328.128
Reserves			
Legal and bylaw reserves	12.2	29.556	29.556
Other reserves	12.4	111.565	127.419
(Own shares and equity holdings)	12.6	(322)	(341)
Retained earnings (prior years' losses)		(851.913)	(785.834)
Profit/(loss) for the period	3	(47.047)	(66.079)
TOTAL SHAREHOLDERS' EQUITY		**595.099**	**780.630**
TOTAL EQUITY		**595.099**	**780.630**
NON-CURRENT LIABILITIES			
Non-current provisions	13.1		
Long-term employee benefits		3.454	2.158
Other provisions		17.821	21.813
		21.275	**23.971**
Loans and borrowings	14.1		
Bank borrowings		3	18
Finance lease payables	7.1	2.868	195
Other financial liabilities		56.619	14.591
		59.490	**14.804**
Non-current loans and borrowings with group companies and associates	14.2	-	**532.662**
Deferred tax liabilities	15.6	**5.484**	**4.570**
Non-current accruals	17.5	**30.782**	-
TOTAL NON-CURRENT LIABILITIES		**117.031**	**576.007**
CURRENT LIABILITIES			
Current provisions	13.1	**88.435**	**123.681**
Loans and borrowings	14.1		
Bank borrowings		49.462	9.055
Finance lease payables	7.1	1.722	145
Other financial liabilities		17.776	20.605
		68.960	**29.805**
Current loans and borrowings with group companies and associates	14.2	**113.999**	**258.760**
Trade and other payables			
Trade payables		369.648	276.093
Trade notes payable		57.687	41.895
Trade payables to group companies	14.3.2	38.166	27.323
Trade payables to associates	14.3.2	15.555	9.244
Personnel (salaries payable)		13.885	10.898
Current tax liabilities	15.1	9.764	5.365
Other tax payables	15.1	35.043	28.393
Advances from customers	9.3	176.247	251.165
		715.995	**650.376**
TOTAL CURRENT LIABILITIES		**987.389**	**1.062.622**
TOTAL EQUITY AND LIABILITIES		**1.699.519**	**2.419.259**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of financial position as at 31 December 2023.

OBRASCÓN HUARTE LAIN, S.A. EUR Thousand

Statement of profit or loss for the years ended 31 December 2023 and 2022

	Note	2023	2022
Revenue	17.1		
Revenue		555.118	503.971
Share of sales at UTEs (%)		194.823	234.422
		749.941	738.393
Change in inventories of auxiliary shops and site facilities		(14.593)	603
Cost of sales:	17.2		
Cost of construction materials and machinery parts used		(180.103)	(116.580)
Subcontracted work		(377.403)	(378.321)
Other operating income:	17.1		
Non-trading and other operating income		190.122	79.281
Grants related to income recognised in profit or loss		156	320
Staff costs:			
Salaries, wages and similar		(157.475)	(138.206)
Employee benefits expense		(31.266)	(23.151)
Other operating expenses:			
External services		(171.592)	(150.494)
Taxes other than income tax		(7.685)	(10.855)
Losses on, impairment of and changes in trade provisions	17.4	39.838	28.507
Other operating expenses		(10.464)	(607)
Amortisation and depreciation	4.4, 5 and 6	(11.807)	(9.841)
Provision surpluses		4.227	4.397
Impairment and gains/(losses) on disposals of property, plant and equipment			
Gains/(losses) on disposals and other	5 and 6	45	1.724
I. OPERATING PROFIT/(LOSS)		**21.941**	**25.170**
Finance income:			
From investments in equity instruments			
Group companies and associates	18.1	-	6.143
Third parties	17.5	11	9
From marketable securities and other financial instruments:			
Group companies and associates	18.1	11.940	9.059
Third parties	17.5	13.662	3.716
Finance costs:			
On loans and borrowings from group companies and associates	18.1	(75.036)	(73.775)
On loans and borrowings from third parties	17.5	(21.178)	(15.131)
Fair value through profit or loss		1.906	188
Gains/(losses) on available-for-sale financial assets reclassified to profit or loss			
Exchange differences		(926)	(19.980)
Impairment and gains/(losses) on disposal of financial instruments	17.6		
Impairment and losses		27.395	13.730
Gains/(losses) on disposals and other		(9.635)	(5.052)
II. NET FINANCE INCOME/(EXPENSE)		**(51.861)**	**(81.093)**
III. PROFIT/(LOSS) BEFORE TAX (I+II)		**(29.920)**	**(55.923)**
Income tax expense	15.2	(17.127)	(10.156)
IV. LOSS FOR THE YEAR		**(47.047)**	**(66.079)**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of profit or loss for the year ended 31 December 2023.

EUR Thousand

Statement of changes in equity for the years ended 31 December 2023 and 2022

A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE YEARS ENDED 31 December 2023 AND 2022

	2023	2022
PROFIT/(LOSS) FOR THE YEAR	**(47.047)**	**(66.079)**
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**-**	**-**
AMOUNTS TRANSFERRED TO PROFIT OR LOSS:	**-**	**(154)**
Grants, donations and bequests received	-	(206)
Tax effect	-	52
TOTAL RECOGNISED INCOME/(EXPENSE)	**(47.047)**	**(66.233)**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of changes in equity for the year ended 31 December 2023.

EUR Thousand

Statement of changes in equity for the years ended 31 December 2023 and 2022

B) STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED 31 December 2023 AND 2022

	Capital and reserves						Grants donations and bequests	Total equity
	Capital	Share premium	Reserves	(Own shares and equity holdings)	Retained earnings (prior years' losses)	Profit/(loss) for the period		
Closing balance at 31 December 2021	**147.781**	**1.328.128**	**141.018**	**(504)**	**(809.524)**	**23.690**	**154**	**830.743**
Total recognised income/(expense)	**-**	**-**	**-**	**-**	**-**	**(66.079)**	**(154)**	**(66.233)**
Transactions with equity holders or owners	**-**	**-**	**(342)**	**163**	**-**	**-**	**-**	**(179)**
Transactions with shares or own equity instruments (net)	-	-	(342)	163	-	-	-	(179)
Other changes in equity	**-**	**-**	**16.299**	**-**	**23.690**	**(23.690)**	**-**	**16.299**
Closing balance at 31 December 2022	**147.781**	**1.328.128**	**156.975**	**(341)**	**(785.834)**	**(66.079)**	**-**	**780.630**
Total recognised income/(expense)	**-**	**-**	**-**	**-**	**-**	**(47.047)**	**-**	**(47.047)**
Transactions with equity holders or owners	**-**	**-**	**(22)**	**19**	**-**	**-**	**-**	**(3)**
Transactions with shares or own equity instruments (net)	-	-	(22)	19	-	-	-	(3)
Other changes in equity	**-**	**(122.649)**	**(15.832)**	**-**	**(66.079)**	**66.079**	**-**	**(138.481)**
Closing balance at 31 December 2023	**147.781**	**1.205.479**	**141.121**	**(322)**	**(851.913)**	**(47.047)**	**-**	**595.099**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of changes in equity for the year ended 31 December 2023.

EUR Thousand

Statement of cash flows for the years ended 31 December 2023 and 2022

	2023	2022
A) NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**32.804**	**(21.388)**
Loss before tax	**(29.920)**	**(55.923)**
Adjustments for:	**21.176**	**57.946**
(+) Amortisation and depreciation	11.807	9.841
(+/-) Other adjustments to profit/(loss), net (see Note 20.3)	9.369	48.105
Working capital changes	**35.483**	**46.556**
Other cash flows from/(used in) operating activities:	**6.065**	**(69.967)**
(-) Interest paid	(58.544)	(52.924)
(+) Dividends received	11	6.152
(+) Interest received	22.620	8.088
(+/-) Income tax recovered/(paid)	(4.815)	(9.378)
(+/-) Other amounts received from/(paid for) operating activities	46.793	(21.905)
B) NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**(809)**	**122.514**
Payments for investments:	**(34.245)**	**(30.121)**
(-) Group companies, associates and business units	(23.051)	(12.919)
(-) Property, plant and equipment, intangible assets and investment properties	(9.973)	(10.671)
(-) Other financial assets	(1.221)	(6.531)
Proceeds from sale of investments:	**33.436**	**152.635**
(+) Group companies, associates and business units	3.943	119.376
(+) Property, plant and equipment, intangible assets and investment properties	655	1.202
(+) Other financial assets	28.838	32.057
C) NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	**10.654**	**(131.657)**
Proceeds from (and payments for) equity instruments:	**(3)**	**(179)**
(-) Acquisition	(18.737)	(17.215)
(+) Disposal	18.734	17.036
Proceeds from (and payments for) financial liability instruments	**40.392**	**(54.822)**
(+) Issue	47.506	2.849
(-) Redemption and repayment	(7.114)	(57.671)
Dividends and interest on other equity instruments paid	-	-
Other cash flows from/(used in) financing activities	**(29.735)**	**(76.656)**
D) NET FOREIGN EXCHANGE DIFFERENCE	-	-
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**42.649**	**(30.531)**
F) CASH AND CASH EQUIVALENTS AT 1 JANUARY	**91.265**	**121.796**
G) CASH AND CASH EQUIVALENTS AT 31 DECEMBER (E+F)	**133.914**	**91.265**

Note: The accompanying Notes 1 to 21 and Appendices I to V thereto are an integral part of the statement of cash flows for the year ended 31 December 2023.

OBRASCÓN HUARTE LAIN, S.A.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

1. CORPORATE INFORMATION

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

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

The operations are primarily carried out in Spain, Latin America and elsewhere in Europe.

2. BASIS OF PREPARATION

2.1 Financial reporting framework applicable to the Company

The accompanying financial statements were prepared by the directors in accordance with the financial reporting framework applicable to the Company, which is set out in:

a) The Spanish Commercial Code and other company law.

b) The Spanish General Accounting Plan (*Plan General de Contabilidad*) approved by Royal Decree 1514/2007, of 16 November, and subsequent amendments, the latest through Royal Decree 1/2021, of 12 January, and industry adaptations.

c) Mandatory standards approved by the Spanish Accounting and Auditing Institute (*Instituto de Contabilidad y Auditoría de Cuentas*) in implementing the General Accounting Plan and its implementing regulations.

d) All other applicable Spanish accounting regulations.

2.2 True and fair view

The accompanying financial statements were obtained from the Company's accounting records, which included the temporary business associations (UTEs) in which it has interests, and are presented in accordance with the financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, give a true and fair view of the Company's equity, financial position, results of operations and cash flows for the year. These financial statements, which were authorised for issue by the Company's directors, will be submitted for approval by shareholders at the Annual General Meeting. They are expected to be approved without any changes. The 2022 separate financial statements were approved at the Annual General Meeting held on 30 June 2023.

As Obrascón Huarte Lain, S.A. is the head of a group of companies which make up the Obrascón Huarte Lain Group, under current legislation it must prepare consolidated financial statements separately. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) in conformity with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002.

The 2023 consolidated financial statements of Obrascón Huarte Lain, S.A. and Subsidiaries, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) show consolidated attributable equity of EUR 494,106 thousand, and consolidated assets and profit attributable to the Parent of EUR 3,260,692 thousand and EUR 5,523 thousand, respectively.

Obrascón Huarte Lain Group's 2023 consolidated financial statements, authorised for issue by the directors, will also be submitted for approval at the Annual General Meeting. The 2022 separate financial statements were approved at the Annual General Meeting held on 30 June 2023.

2.3 Non-mandatory accounting policies applied

No non-mandatory accounting policies were applied.

The directors have authorised for issue these financial statements taking into account all the mandatory accounting principles and standards with a significant effect thereon. All mandatory accounting principles were applied.

2.4 Comparative information

In accordance with company law, for comparative purposes the Company presents for each item of the statement of financial position, the statement of profit or loss, the statement of changes in equity and the statement of cash flows, in addition to the figures for 2023, those for the previous period. Quantitative information for the previous period is also included in the notes to the financial statements unless an accounting standard specifically states that this is not required.

2.5 Critical issues regarding the measurement and estimation of uncertainty

The preparation of these financial statements required the Company's directors to make estimates that affect the reported amounts of certain assets, liabilities, revenue, expenses and obligations recognised therein. These estimates relate basically to:

- The useful life of intangible assets and property, plant, and equipment, and impairment losses thereon (see Notes 4.1, 4.2 and 4.3).
- The assessment of possible impairment losses on certain assets (see Note 4.3).
- The recognition of construction contract revenue and contract costs (see Note 4.11).
- The amount of certain provisions (see Notes 4.12 and 14).
- The fair value of certain financial instruments (see Note 9).
- The assessment of potential contingencies for employment, tax and legal risks (see Notes 4.13, 14 and 15.7).
- Financial risk management (see Note 9.8).

Although these estimates were made based on the best information available at year-end 2023 regarding the facts analysed, future events may require these estimates to be modified (upwards or downwards) in subsequent reporting periods. Any changes in accounting estimates would be applied prospectively.

3. PROPOSED DISTRIBUTION OF LOSS

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

	EUR thousand
2023 loss	**(47,047)**
Distribution:	
To prior years' losses	(47,047)

4. ACCOUNTING POLICIES

The main accounting policies used by the Company in preparing the annual financial statements in accordance with the 2007 General Accounting Plan (*Plan General de Contabilidad*) and its industry adaptation to construction companies in the 1990 General Accounting Plan, which are still effective in all matters that do not contravene the provisions of the new General Accounting Plan, were as follows:

4.1 Intangible assets

As a general rule, intangible assets are measured on initial recognition at acquisition or production cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

All of the Company's intangible assets have a finite useful life.

Development expenditure

The Company capitalises development expenditures incurred during the year that meet the following conditions:

- They are itemised by project and the cost can be clearly determined.
- There is evidence of the project's technical success and economic and commercial feasibility.

The related assets are amortised on a straight-line basis over their estimated useful life (for a period of up to five years).

Where there are doubts about the project's technical success and economic feasibility, any amounts capitalised are recognised directly in profit or loss for the period.

Industrial property

This item includes costs incurred to obtain the ownership of, or rights to use, the various types of intellectual property, including patents, utility model certificates, industrial designs and plant patents.

Intellectual property is measured at acquisition or production cost, which includes the development expenditure incurred and capitalised when the outcome is successful and the property is placed on file in the appropriate register, and the intellectual property registration and formalisation costs. Research costs are not included under any circumstances.

These assets are amortised on a straight-line basis over the estimated useful life, which is determined primarily by the period of protection.

Computer software

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

4.2 Property, plant and equipment

Property, plant and equipment are measured at cost, revalued in accordance with applicable legal provisions, including Royal Decree-Law 7/1996, net of accumulated depreciation and impairment losses, of any, as explained in Note 4.3.

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

Upkeep and maintenance costs are expensed currently.

Self-constructed property, plant and equipment are recognised at the accumulated cost, calculated by adding external costs and internal costs determined on the basis of the materials consumed in-house, direct labour incurred and manufacturing overheads.

The Company depreciates its property, plant and equipment on a straight-line basis over the estimated useful lives of the assets.

The estimated years of useful life of each group of assets are as follows:

	Years of estimated useful life
Buildings	25-50
Machinery and technical installations	8-16
Other installations, equipment and furniture	10
Other property, plant and equipment	3-5

4.3 Impairment of intangible assets and property, plant and equipment

The Company reviews the carrying amount of its intangible assets and property, plant and equipment and compares it with the recoverable amount to determine whether the asset may be impaired.

Recoverable amount is the higher of:

- Fair value less costs to sell:

  The price that would be agreed between two independent parties, and

- Value in use:

  Estimate of the present value of the expected future cash flows.

If the recoverable amount of an asset is below its carrying amount, an impairment loss is recognised.

When an impairment loss subsequently reverses, income is recorded up to the amount of the previously recognised impairment loss.

4.4 Investment properties

"Investment properties" in the accompanying statement of financial position reflects the net values of the land, buildings and other structures held to earn rentals or for capital appreciation. In 2023, a depreciation charge of EUR 15 thousand was recognised (2022: EUR 14 thousand).

Investment properties are measured as explained in Note 4.2 on property, plant and equipment.

4.5 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

4.6 Leases

Leases are classified as finance leases when the conditions of the lease agreement indicate that substantially all the risks and rewards incidental to ownership of the asset are transferred. All other leases are classified as operating leases.

Finance leases

In finance leases in which the Company acts as lessee, the Company presents the cost of the leased assets in the statement of financial position in accordance with the nature of the leased asset, simultaneously recognising a liability for the same amount. This amount is the lower of the fair value of the leased asset or the present value of the minimum lease payments agreed upon, each determined at the inception of the lease, including the purchase option when it is reasonably certain that the option will be exercised. The calculation excludes contingent rents, costs for services and taxes to be paid by and reimbursed to the lessor. The total finance charge is allocated over the lease term and recognised in profit or loss for the reporting period in which it is accrued, using the effective interest rate method. Contingent rents are recognised as an expense in the period in which they are incurred.

The assets recognised for these types of transactions are depreciated based on their nature, using similar criteria to those applied to other items of property, plant and equipment.

Operating leases

Operating leases are agreements whereby the lessor conveys to the lessee the right to use an asset for a specified period of time and, therefore, leases for rights of use that do not transfer the risks and rewards incidental to ownership of an asset and are accounted for in accordance with the contractual nature of each transaction.

Expenses from operating leases are taken to the statement of profit or loss for the reporting period in which they are accrued. Any payment made or received in advance on entering into a leasehold is taken to the statement of profit or loss in accordance with the pattern of benefits transferred or received.

4.7 Financial instruments

4.7.1 Financial assets

<u>Classification and measurement</u>

The financial assets held by the Company are classified into the following categories:

a) **Financial assets at fair value through profit or loss**: this category includes financial assets that cannot be classified into any other category. Financial assets held for trading must be included in this category.

   <u>Initial measurement</u>

   These assets are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given. Directly attributable transactions costs are recognised in profit or loss for the reporting period.

Subsequent measurement

After initial recognition, these assets are measured at fair value through profit or loss.

b) **Financial assets at amortised cost**: the Company classifies financial assets in this category, even if they are admitted to trading on an exchange, if the following conditions are met:

- the Company holds the financial assets within a business model whose objective is to collect contractual cash flows.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These contractual cash flows are inherent to a basic lending agreement, but the loan agreed could be interest-free or at a below-market interest rate.

In general, this category includes receivables from trade transactions (“trade receivables”) and receivables from non-trade transactions (“other receivables”).

Initial measurement

Loans and receivables are recognised initially at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

Nonetheless, trade receivables falling due within one year for which there is no contractual interest rate, and loans to personnel, dividends receivable and receivables on called-up equity instruments expected to be collected in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is not material.

Subsequent measurement

They are measured at amortised cost. Accrued interest is recognised in profit or loss using the effective interest rate method.

c) **Financial assets at fair value through equity**: financial assets included in this category are assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and are not held for trading or eligible for classification as financial assets at amortised cost.

Initial measurement

Loans and receivables are recognised initially at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

Subsequent measurement

These assets are measured at fair value, without deducting any transaction costs incurred on disposal. Changes in fair value are recognised directly in equity until the investment is derecognised or determined to be impaired, at which time the cumulative gain or loss previously deferred in equity is taken to profit or loss.

d) **Financial assets at cost**: this category includes:

- equity investments in group companies, jointly controlled entities and associates.
- other equity investments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or cannot be estimated reliably.
- profit participating loans with contingent interest payments, either because a fixed interest rate or a floating rate contingent on compliance with a milestone by the borrower (e.g. obtaining profits) is agreed or because it is calculated exclusively by reference to the borrower's financial performance.
- any other financial asset classified initially in the portfolio of financial assets at fair value through profit or loss when it is not possible to obtain a reliable estimate of fair value.

Initial measurement

These assets are initially recognised at cost, which is equivalent to the fair value of the consideration given plus directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

Subsequent measurement

These assets are subsequently measured at cost less any accumulated impairment.

Derecognition of financial assets

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

The Company does not derecognise financial assets in transfers whereby it retains substantially all the risks and rewards of ownership. These include discounted bills, factoring with recourse, sales of financial assets with an agreement to repurchase them at a fixed price or at the sales price plus interest, and securitisations of financial assets whereby the transferor retains subordinated financing or another type of guarantee that absorbs substantially all expected losses. The Company recognises a financial liability for the amount of the consideration received.

Impairment

Debt instruments at amortised cost or fair value through equity

At least at each reporting date, the Company assess whether there is objective evidence that a financial asset, or group of financial assets with similar risk characteristics assessed on a collective basis, is impaired as a result of one or more events that occurred after initial recognition that result in a reduction or delay in the estimated future cash flows due to debtor insolvency.

Where such evidence exists, the impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the future cash flows expected to be generated by the asset discounted at the effective interest rate calculated at initial recognition.

Impairment losses and reversals thereof where the amount of the impairment loss decreases due to an event occurring after recognition are recognised as expenses and income, respectively, in profit or loss. The reversal is limited to the carrying amount of the asset that would have been recognised at the reversal date had no impairment loss been recognised.

For trade and other receivables, the criteria used by the Company to calculate the valuation allowances is to write down balances of a certain age or those affected by circumstances that justify a valuation adjustment such as customer disputes and litigation, even when the Company continues to take measures to recover the amounts in full.

Equity instruments at fair value through equity

With this type of investment, the Company considers the instrument to be impaired after a decline of a year and a half or forty percent of its quoted price with no recovery in value. However, it may be necessary to recognise an impairment loss before this period has elapsed or before the quoted price has dropped by that percentage.

Impairment losses are recognised as an expense in profit or loss.

Where the fair value increases, the impairment recognised in prior periods shall not be reversed with a credit to the statement of profit or loss; rather, the increase in fair value is recognised directly in equity.

Financial assets at cost

In this case, the impairment loss is measured as the difference between the carrying amount and the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the present value of future cash flows from the investment, estimated as either those from dividends expected to be received from the investee and the disposal or derecognition of the investment, or from the share in the cash flows expected to be generated by the investee in the ordinary course of business and from disposal or derecognition. When estimating impairment of these types of assets, the investee's equity is taken into consideration, corrected for any unrealised gains existing at the measurement date, net of the related tax effect, unless better evidence of the recoverable amount of the investment in equity instruments is available.

Impairment, and reversals thereof, are recognised as an expense or as income, respectively, in profit or loss. The loss can only be reversed up to the limit of the carrying amount of the investment that would have been disclosed at the reversal date had the impairment loss not been recognised.

Interest and dividends received from financial assets

Interest and dividends accrued on financial assets after acquisition are recognised in profit or loss. Interest is accounted for using the effective interest rate method, while dividends are recognised when the right to receive payment is established.

4.7.2 Financial liabilities

Classification and measurement

Financial liabilities are classified for measurement purposes as:

a) **Financial liabilities at amortised cost**: the Company classifies all its financial liabilities in this category except those that must be measured at fair value through profit or loss. In general, this category includes payables from trade ("trade payables") and non-trade transactions ("other payables").

Initial measurement

These liabilities are recognised initially at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration received, adjusted for directly attributable transaction costs. These are costs inherent in the transaction, which are capitalised.

Nonetheless, trade payables falling due within one year for which there is no contractual interest rate, and called-up equity holdings expected to be settled in the short term are measured at their nominal amount, provided that the effect of not discounting the cash flows is immaterial.

Subsequent measurement

They are measured at amortised cost. Accrued interest is recognised in profit or loss using the effective interest rate method.

Nonetheless, payables falling due within one year measured at the nominal amount, in accordance with the preceding section, continue to be measured at that amount.

b) **Financial liabilities at fair value through profit or loss**: the Company includes in this category financial liabilities held for trading and financial liabilities designated irrevocably upon initial recognition as at fair value through profit or loss.

Initial and subsequent measurement

These liabilities are initially measured at fair value. In the absence of evidence to the contrary, this is the transaction price, which is equivalent to the fair value of the consideration received. Directly attributable transactions costs are recognised in profit or loss.

After initial recognition the Company measures the financial liabilities in this category at fair value through profit or loss.

Derecognition of financial liabilities

The Company derecognises a financial liability in any of the following circumstances:

- the obligation is extinguished because the debtor has paid the creditor to discharge the liability (with cash or other goods or services) or the debtor is legally released from any responsibility for the liability.
- the Company repurchases financial liabilities, even if it intends to reissue them in the future.
- there is an exchange between a borrower and a lender of debt instruments with substantially different terms, in which case the new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability, as explained for debt restructuring, is also accounted for as an extinguishment.

Derecognition of a financial liability is accounted for as follows: the difference between the carrying amount of a financial liability (or part of that liability) extinguished and the consideration paid, including attributable transaction costs and any non-cash asset transferred or liability assumed, is recognised in profit or loss for the reporting period in which it arises.

4.7.3 Equity instruments

An equity instrument represents a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments issued by the Company are recognised in equity for the amount of proceeds received, net of issue costs.

Treasury shares acquired by the Company in the year are recognised at the value of the consideration paid and are deducted directly from equity. Any gain or loss on the acquisition, sale, issue or cancellation of own equity instruments is recognised directly in equity and not in profit or loss.

4.8 Inventories

Inventories are measured at the lower of cost, determined as the purchase price or cost of production, and net realisable value.

The Company writes down the cost of inventories when net realisable value is below cost, recognising the expense in profit or loss.

4.9 Foreign currency transactions

The Company's functional currency is the euro. Therefore, transactions in other currencies are considered to be denominated in foreign currency and are translated at the currency spot rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting dates. Any resulting gains or losses arising are recognised directly in the statement of profit or loss in the year they arise.

4.10 Income tax

Tax expense (tax income) comprises current tax expense (current tax income) and deferred tax expense (deferred tax income).

Current tax is the amount of taxes the Company pays as a result of income tax for a period. Deductions and other tax relief applicable to payable taxes, excluding withholdings and payments on account, and the carry forward of tax losses applied in the current reporting period are accounted for as a reduction in current tax.

Deferred tax expense or income relates to the recognition and settlement of deferred tax assets and liabilities. These include the temporary differences, measured at the amount expected to be payable or recoverable, between the carrying amounts of assets and liabilities and their tax bases, as well as the carry forward of unused tax credits and tax losses. These amounts are measured by applying to the relevant temporary difference or tax credit the tax rate at which they are expected to be realised or settled.

Deferred tax liabilities are recognised for all taxable temporary differences, except for those arising from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available for the Tax Group against which these assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

Recognised deferred tax assets are reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

At 31 December 2023 and 2022, the Company was head of the Obrascón Huarte Lain consolidated tax group.

4.11 Revenue and expenses

The Company's general revenue recognition policy, in line with measurement standard 14 of the General Accounting Plan, contains the following principles:

i) Core principle

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

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

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

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

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

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

iii) Statement of financial position balances related to revenue recognition

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

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

Costs to obtain and fulfil contracts

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

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

Costs to fulfil a contract (set-up or mobilisation costs) are capitalised if they are expected to be recovered and do not include costs that would normally be incurred by the Company 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) Financing component

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

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

4.12 Provisions

The Company's financial statements include all the material provisions with respect to which it is considered that it is probable that the obligation will have to be settled (see Note 13.1). Contingent liabilities are not recognised in the financial statements, but are disclosed (see Note 13.3).

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

The most significant provisions are:

Provision for taxes

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

Provisions for litigation and third-party liability

These provisions are recognised to cover potential adverse economic outcomes from legal proceedings and claims against the Company arising in the ordinary course of business.

Provision for investees

The provision is recognised to cover losses that the Company would have to bear in the event of the disposal or dissolution of Group companies or associates with an equity shortfall and no unrealised gains.

Provisions for the completion of construction projects

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

Provisions for management and other fees

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

Provisions for future losses

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

Other provisions

These provisions relate to prepayments of expenses, such as guarantees and insurance, and provisions for third-party liability and other construction costs.

4.13 Termination benefits

In accordance with the various collective bargaining agreements in force, the Company is required to pay termination benefits to employees terminated under certain conditions.

“Provisions” in current liabilities in the statement of financial position include a provision for the liability incurred in this connection for temporary site employees, based on the average remuneration rate and the average length of service (see Note 13.1).

Termination benefits that can be reasonably quantified are recognised as an expense in the year in which the decision is taken.

4.14 Liabilities arising from long-term employee benefits

The Company classifies its long-term employee benefit obligations depending on their nature as defined contribution plans and defined benefit plans. Defined benefit plans are those in which the Company has an obligation to make predetermined contributions to a separate entity (for instance, an insurance company or a pension plan), provided that there is no legal, contractual or implicit obligation to make additional contributions if the separate entity cannot comply with the obligations assumed. Plans that do not entail a defined contribution are considered defined benefit plans.

4.15 Environmental assets, liabilities and activities

An environmental activity is any operation whose main purpose is to prevent, reduce or repair damage to the environment.

The Company’s core business is construction. Most construction contracts include an environmental impact assessment and the performance of work to preserve, maintain and restore the environment.

The Company does not consider the assets and expenses related to the provision of these services as environmental assets and expenses since they are performed for third parties. However, environmental claims and obligations are included, regardless of whether or not they arise from the Company’s own operations or operations performed for third parties.

Investments relating to environmental activities are measured at cost and capitalised as an increase in the cost of the related non-current assets in the year in which they are made.

Expense to protect and improve the environment are recognised in the statement of profit or loss in the year in which they are incurred, regardless of when the resulting monetary or financial flow arises.

Provisions for probable or certain third-party liability, ongoing litigation and outstanding environmental indemnity payments or obligations of undetermined amount not covered by insurance policies taken out are recognised when the liability or obligation giving rise to the indemnity or payment arises.

4.16 Joint operations

A joint venture is an economic activity controlled by two or more natural or legal persons (venturers), which occurs when there is a bylaw or contractual arrangement whereby the venturers agree to share the power to govern the financial and operating policies in such a way that the strategic decisions require the unanimous consent of all of the venturers.

Joint ventures may arise through the incorporation of a company, i.e. an actual joint venture, or through the incorporation of co-ownerships or temporary business associations (UTEs), i.e. joint operations.

Standard practice in the construction industry is for certain construction projects to be performed through the grouping of several companies as a UTE.

The main UTEs in which the Company had interests at 31 December 2023 are detailed in Appendix I to these notes to the financial statements.

The Company recognises the outcome of construction work performed at UTEs using the same method as for its own construction projects, as explained in Note 4.11.

The expenses incurred on behalf of, and other services provided to, UTEs are recognised when the expense is incurred or the service provided. These amounts are recognised under “Non-trading and other operating income” in the statement of profit or loss.

Under recognition and measurement standard 20 of the General Accounting Plan, the venturer's annual financial statements include its share of the UTEs in which it has an interest at the end of the reporting period, integrating the various items of the statement of profit or loss and the statement of financial position of the UTEs using proportionate consolidation. These balances are disclosed in the following Notes, where material. The venturer's statement of changes in equity and statement of cash flows also reflect its proportional share of the items of the UTEs.

4.17 Current versus non-current classification

Current assets comprise assets associated with the normal operating cycle, which generally is considered to be one year, as well as those expected to mature, or to be sold or realised in the short term, financial assets held for trading, except financial derivatives that will be settled in more than one year, and cash and cash equivalents. All other assets are classified as non-current.

Similarly, current liabilities are liabilities associated with the normal operating cycle, financial liabilities classified as held for trading, except financial derivatives that will be settled in more than one year, and, in general, all liabilities expected to fall due or to be extinguished in the short term. All other liabilities are classified as non-current.

4.18 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 statement of cash flows is prepared using the indirect method, with the changes in cash flows during the year classified into:

- Operating activities: the principal revenue-producing activities of the Company and other activities that are not investing or financing activities.
- Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- Financing activities: activities that result in changes in the size and composition of the equity and borrowings of the Company that are not operating activities.

4.19 Related party transactions

The Company carries out all transactions with related parties at arm's length. In addition, transfer prices are adequately supported, so the Company's directors consider that there are no material risks in this connection that could lead to significant liabilities in the future.

5. INTANGIBLE ASSETS

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2023 and 2022:

2023

	EUR thousand					
Concept	Opening balance	Additions or charges	Disposals or derecognitions	Exchange differences	Transfers	Closing balance
Development expenditure:						
Cost	18,457	-	-	-	-	18,457
Accumulated amortisation	(18,457)		-	-	-	(18,457)
	-	-	-	-	-	-
Computer software:						
Cost	34,613	281	(291)	10	377	34,990
Accumulated amortisation	(23,464)	(1,030)	271	(7)	-	(24,230)
Impairment losses	(8,727)	-	-	-	-	(8,727)
	2,422	**(749)**	**(20)**	**3**	**377**	**2,033**
Patents, licenses and trademarks						
Cost	170	-	-	-	-	170
Accumulated amortisation	(159)	(1)	-	-	-	(160)
	11	**(1)**	**-**	**-**	**-**	**10**
Other intangible assets in progress						
Cost	615	425	-	-	(377)	663
	615	**425**	**-**	**-**	**(377)**	**663**
Total:						
Cost	**53,855**	**706**	**(291)**	**10**	**-**	**54,280**
Accumulated amortisation	**(42,080)**	**(1,031)**	**271**	**(7)**	**-**	**(42,847)**
Impairment losses	**(8,727)**	**-**	**-**	**-**	**-**	**(8,727)**
Total intangible assets	**3,048**	**(325)**	**(20)**	**3**	**-**	**2,706**

2022

Concept	EUR thousand					
	Opening balance	Additions or charges	Disposals or derecognitions	Exchange differences	Transfers	Closing balance
Development expenditure:						
Cost	18,457	-	-	-	-	18,457
Accumulated amortisation	(17,571)	(886)	-	-	-	(18,457)
	886	**(886)**	**-**	**-**	**-**	**-**
Computer software:						
Cost	34,179	330	(176)	37	243	34,613
Accumulated amortisation	(22,572)	(1,032)	176	(36)	-	(23,464)
Impairment losses	(8,727)	-	-	-	-	(8,727)
	2,880	**(702)**	**-**	**1**	**243**	**2,422**
Patents, licenses and trademarks						
Cost	170	-	-	-	-	170
Accumulated amortisation	(158)	(1)	-	-	-	(159)
	12	**(1)**	**-**	**-**	**-**	**11**
Other intangible assets in progress						
Cost	222	636	-	-	(243)	615
	222	**636**	**-**	**-**	**(243)**	**615**
Total:						
Cost	**53,028**	**966**	**(176)**	**37**	**-**	**53,855**
Accumulated amortisation	**(40,301)**	**(1,919)**	**176**	**(36)**	**-**	**(42,080)**
Impairment losses	**(8,727)**	**-**	**-**	**-**	**-**	**(8,727)**
Total intangible assets	**4,000**	**(953)**	**-**	**1**	**-**	**3,048**

"Development expenditure" relates to various R&D projects.

No net gain on disposal of intangible assets was recognised in 2023 (2022: EUR 1 thousand).

At 31 December 2023, the cost and accumulated amortisation included EUR 543 thousand and EUR 534 thousand, respectively, related to UTEs (2022: EUR 556 thousand and EUR 468 thousand, respectively).

The cost and accumulated amortisation of intangible assets located abroad at 31 December 2023 amounted to EUR 718 thousand and EUR 645 thousand, respectively (2022: EUR 828 thousand and EUR 642 thousand, respectively).

At 31 December 2023, fully amortised intangible assets still in use amounted to EUR 40,110 thousand (2022: EUR 39,359 thousand).

6. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of the carrying amount of this statement of financial position item at the beginning and end of 2023 and 2022:

2023	EUR thousand					
Concept	Opening balance	Additions or charges	Disposals or derecognitions	Exchange differences	Transfers	Closing balance
Land and buildings:						
Cost	851	-	-	-	-	851
Accumulated depreciation	(129)	(4)	-	-	-	(133)
	722	**(4)**	**-**	**-**	**-**	**718**
Machinery and technical installations:						
Cost	64,306	6,453	(1,119)	(334)	(5,083)	64,223
Accumulated depreciation	(40,741)	(5,550)	554	547	-	(45,190)
	23,565	**903**	**(565)**	**213**	**(5,083)**	**19,033**
Other installations, equipment and furniture:						
Cost	49,123	1,149	(653)	(729)	5	48,895
Accumulated depreciation	(41,444)	(731)	468	579	(2)	(41,130)
Impairment losses	(3,322)	-	-	94	-	(3,228)
	4,357	**418**	**(185)**	**(56)**	**3**	**4,537**
Investments in concessions:						
Cost	119	-	-	-	-	119
Accumulated depreciation	(17)	-	-	-	-	(17)
Impairment losses	(68)	-	-	-	-	(68)
	34	**-**	**-**	**-**	**-**	**34**
Other property, plant and equipment:						
Cost	34,419	1,611	(2,945)	(680)	5,078	37,483
Accumulated depreciation	(20,649)	(4,476)	2,855	639	2	(21,629)
Impairment losses	(487)	-	-	4	-	(483)
	13,283	**(2,865)**	**(90)**	**(37)**	**5,080**	**15,371**
Property, plant and equipment under construction and advances:						
Cost	-	182	-	-	-	182
	-	**182**	**-**	**-**	**-**	**182**
Total:						
Cost	**148,818**	**9,395**	**(4,717)**	**(1,743)**	**-**	**151,753**
Accumulated depreciation	**(102,980**	**(10,761)**	**3,877**	**1,765**	**-**	**(108,099)**
Impairment losses	**(3,877)**	**-**	**-**	**98**	**-**	**(3,779)**
Total property, plant and	**41,961**	**(1,366)**	**(840)**	**120**	**-**	**39,875**

2022

Concept	Opening balance	Additions or charges	Disposals or derecognitions	Exchange differences	Transfers	Closing balance
	EUR thousand					
Land and buildings:						
Cost	851	-	-	-	-	851
Accumulated depreciation	(125)	(4)	-	-	-	(129)
	726	**(4)**	**-**	**-**	**-**	**722**
Machinery and technical installations:						
Cost	51,730	18,600	(8,379)	2,355	-	64,306
Accumulated depreciation	(43,390)	(3,649)	8,245	(1,947)	-	(40,741)
	8,340	**14,951**	**(134)**	**408**	**-**	**23,565**
Other installations, equipment and furniture:						
Cost	55,440	1,042	(9,917)	2,522	36	49,123
Accumulated depreciation	(48,468)	(800)	9,903	(2,079)	-	(41,444)
Impairment losses	(3,125)	-	-	(197)	-	(3,322)
	3,847	**242**	**(14)**	**246**	**36**	**4,357**
Investments in concessions:						
Cost	119	-	-	-	-	119
Accumulated depreciation	(16)	(1)	-	-	-	(17)
Impairment losses	(68)	-	-	-	-	(68)
	35	**(1)**	**-**	**-**	**-**	**34**
Other property, plant and equipment:						
Cost	24,424	10,221	(1,788)	1,598	(36)	34,419
Accumulated depreciation	(17,912)	(3,454)	1,770	(1,053)	-	(20,649)
Impairment losses	(478)	-	-	(9)	-	(487)
	6,034	**6,767**	**(18)**	**536**	**(36)**	**13,283**
Total:						
Cost	**132,564**	**29,863**	**(20,084)**	**6,475**	**-**	**148,818**
Accumulated depreciation	**(109,911**	**(7,908)**	**19,918**	**(5,079)**	**-**	**(102,980)**
Impairment losses	**(3,671)**	**-**	**-**	**(206)**	**-**	**(3,877)**
Total property, plant and	**18,982**	**21,955**	**(166)**	**1,190**	**-**	**41,961**

The net gain on disposal of property, plant and equipment in 2023 amounted to EUR 45 thousand (2022: EUR 1,723 thousand).

At 31 December 2023, cost, accumulated depreciation and impairment included EUR 15,005 thousand, EUR 8,846 thousand and EUR 3,368 thousand, respectively, related to UTEs (2022: EUR 15,526 thousand, EUR 9,483 thousand and EUR 3,466 thousand, respectively).

At 31 December 2023, cost, accumulated depreciation and impairment of property, plant and equipment located abroad amounted to EUR 116,905 thousand, EUR 76,524 thousand and EUR 3,368 thousand, respectively (2022: EUR 113,114 thousand, EUR 70,814 thousand and EUR 3,465 thousand, respectively).

Fully depreciated property, plant and equipment still in use at 31 December 2023 amounted to EUR 89,797 thousand (2022: EUR 85,545 thousand).

As explained in Note 7.1, the Company held property, plant and equipment under finance leases at the end of 2023.

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

7. LEASES

7.1 Finance leases

At year-end 2023, the Company recognised assets leased out under a finance lease for EUR 5,848 thousand related to machinery (2022: EUR 448 thousand).

Set out below are total figures for finance lease transactions in which the Company acts as lessee, all measured at the present value of the minimum payments. The average duration of leases in force in 2023 was 37 months.

	EUR thousand
	2023
Amount recognised in assets:	
Original cost, excluding the purchase option	5,651
Value of purchase option	197
Total value of assets acquired under finance lease	**5,848**
Payments:	
Made in prior years	101
Made in the year	1,157
Outstanding:	
Within one year	**1,722**
Between 1 and 5 years	**2,868**
Total payments	**5,848**

Interest recognised under expenses in 2023 amounted to EUR 342 thousand (2022: EUR 42 thousand).

7.2 Operating leases

Operating leases are leases in which substantially all the risks and rewards incidental to ownership are not transferred.

The main operating leases relate to the Company's head office and other operating centres.

Future minimum payments under non-cancellable leases at 31 December 2023 and 2022:

	EUR thousand	
	2023	2022
Within one year	9,364	8,693
After one year but not more than five years	22,165	25,495
More than five years	499	1,240
Total	**32,028**	**35,428**

There are no significant leases in which the Company acts as the lessor.

8. EQUITY INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

Changes in 2023 and 2022 in "Equity investments in group companies and associates" are as follows:

2023	EUR thousand			
Concept	Opening balance	Additions or charges	Disposals or derecognitions	Closing balance
Equity instruments in group companies:				
Cost	2,389,570	782,488	(2,560,545)	611,513
Impairment losses	(1,051,331)	-	1,047,762	(3,569)
Uncalled capital	(12,488)	(8,054)	13,564	(6,978)
	1,325,751	**774,434**	**(1,499,219)**	**600,966**
Equity instruments in associates				
Cost	13,105	1,260	(12,566)	1,799
Impairment losses	(9,021)	-	8,462	(559)
Uncalled capital	(11)	-	-	(11)
	4,073	**1,260**	**(4,104)**	**1,229**
Total:				
Cost	**2,402,675**	**783,748**	**(2,573,111)**	**613,312**
Impairment losses	**(1,060,352)**	**-**	**1,056,224**	**(4,128)**
Uncalled capital	**(12,499)**	**(8,054)**	**13,564**	**(6,989)**
Non-current investments in group companies and associates	**1,329,824**	**775,694**	**(1,503,323)**	**602,195**

2022	EUR thousand			
Concept	Opening balance	Additions or charges	Disposals or derecognitions	Closing balance
Equity instruments in group companies:				
Cost	2,343,736	171,192	(125,358)	2,389,570
Impairment losses	(949,346)	(116,615)	14,630	(1,051,331)
Uncalled capital	(118)	(12,370)	-	(12,488)
	1,394,272	**42,207**	**(110,728)**	**1,325,751**
Equity instruments in associates				
Cost	12,008	1,097	-	13,105
Impairment losses	(9,021)	-	-	(9,021)
Uncalled capital	(11)	-	-	(11)
	2,976	**1,097**	**-**	**4,073**
Total:				
Cost	**2,355,744**	**172,289**	**(125,358)**	**2,402,675**
Impairment losses	**(958,367)**	**(116,615)**	**14,630**	**(1,060,352)**
Uncalled capital	**(129)**	**(12,370)**	**-**	**(12,499)**
Non-current investments in group companies and associates	**1,397,248**	**43,304**	**(110,728)**	**1,329,824**

The main changes in 2023 in equity instruments in group companies and associates were the result of the following transactions:

i) Execution of the final phase of the Hive Down.
ii) Reimbursement of contributions to OHL Holding S.à.r.l
iii) Other changes.

Execution of the final phase of the Hive Down.

On 20 January 2021, OHL Group carried out a financial restructuring and after completing the agreed steps issued new Notes maturing in 2025 and 2026, replacing previous issues with scheduled maturity in 2022 and 2023.

The financial restructuring was presented for approval in both British and Spanish courts, as the former Notes were listed in London.

Among the agreements reached with the financial creditors was the grant of a certain package of guarantees with a double LuxCo structure, which is standard for this type of transaction when it includes a corporate restructuring (Hive Down).

The key feature of the Hive Down was the incorporation of two subsidiaries simultaneously in Luxembourg, OHL Holding, S.à.r.l. and OHL Iniciativas, S.à.r.l, and the incorporation of a Spanish subsidiary, OHL Operaciones, S.A. (a subsidiary of OHL Iniciativas), as issuer of the new Notes.

There was also the transfer of OHLA Group's main subsidiaries to OHL Operaciones S.A. to the extent possible by 28 December 2023.

In 2021 and 2022, the necessary steps were taken to comply with the agreement and on 28 December 2023 the transfer was completed.

Transactions carried out in 2023 entailed:

- Non-monetary contributions by the Company as sole shareholder to the equity of OHL Holding, S.à.r.l, of the following stakes (see Appendix III) and receivables:
    - 100% stake in Obrascón Huarte Lain, Construcción Internacional, S.L.U., with a net carrying amount of EUR 723,173 thousand.
    - 100% stake in OHL Industrial, S.L.U., with a net carrying amount of EUR 20,186 thousand.
    - 100% stake in Pacadar, S.A.U.., with a net carrying amount of EUR 53,769 thousand.
    - 100% stake in Sociedad Concesionaria Centro de Justicia de Santiago, S.A., with a net carrying amount of EUR 14,377 thousand.
    - 100% stake in Avalora Tecnologías de la Información, S.A., with a net carrying amount of EUR 6,860 thousand.
    - 20.75% stake in Nuevo Hospital de Burgos, S.A., with a net carrying amount of EUR 2,958 thousand.
    - 50% stake in Constructora Vespucio Oriente, S.A., with a net carrying amount of EUR 1,146 thousand.
    - 95% stake in OHL Saudi Arabia, LLC, with a net carrying amount of EUR 100 thousand.

- Rights over the profit participating loan from OHL Industrial, S.L.U. for EUR 41,000 thousand.
- Rights over the profit participating loan from Pacadar, S.A.U. for EUR 39,849 thousand.

All these contributions were made at the net carrying amount shown in the consolidated financial statements at the date the assets were contributed, which amounted to EUR 758,312 thousand, recognised as a reduction to reserves and share premium of EUR 138,481 thousand.

After these contributions, they were contributed from OHL Holding, S.à.r.l, to the equity of OHL iniciativas, S.à.r.l and, lastly, from OHL iniciativas, S.à.r.l to OHL Operaciones, S.A.

- Assignment to OHL Operaciones S.A. of all intragroup loans related to the subsidiaries transferred for the transfer of the treasury management function.

  After this transfer, the net amount payable by OHL S.A. to OHL Operaciones S.A. was EUR 647,945 thousand, comprising the 'mirror' loan for the notes issue of EUR 425,246 thousand and the net amount payable for all OHL S.A. intragroup contracts with subsidiaries, amounting to EUR 222,699 thousand.

  Simultaneously, to cancel the payable by OHL, S.A. to OHL Operaciones, S.A., it was assigned through the Luxembourg companies, with distribution of equity, and extinguished by confusion in OHL Operaciones, S.A., resulting in a decrease in the Company's ownership interest in OHL Holding, S.à.r.l of EUR 647,945 thousand.

Reimbursement of contributions to OHL Holding S.à.r.l

On 20 February 2023, the Company, as sole shareholder of OHL Holding, S.á.r.l., agreed to the partial reimbursement of non-monetary contributions made to this company for EUR 71,341 thousand, through a payment in kind consisting of the set-off of the receivable held against OHL Operaciones, S.A. for that amount.

Other changes

- Incorporation, on 18 April 2023, of Sociedad Concesionaria Instituto Nacional del Cáncer, S.A, in Chile, in which Obrascón Huarte Lain, S.A. holds a 51% ownership interest, for EUR 12,081 thousand, having paid EUR 4,498 thousand.
- Payments made to Sociedad Concesionaria Hospitales Red Bio Bio, S.A. amounting to EUR 12,364 thousand.

Before carrying out the Hive Down, the Company assessed the fair value of the shares transferred. As a result of these assessment, it reversed EUR 14,801 thousand and EUR 12,594 thousand of previously recognised impairment losses on the equity investments in OHL Industrial, S.L. and Obrascón Huarte Lain, Construcción Internacional, S.L.U., respectively (see Note 17.6).

At year-end 2023, the Company estimated, through an impairment test, the potential existence of decreases in value that reduced the recoverable amount of its equity investments in group companies and associates to below their carrying amount in accordance with the policy described in Note 4.7.1.

Based on this assessment, the Company's directors estimated that the recoverable amount of these equity investments approximates carrying amount.

The equity of the Group companies shown in Appendix II, which forms an integral part of this note, was obtained from the companies' separate financial statements at 31 December 2023.

The changes in investments in Group companies and associates are detailed in Appendices III and IV.

The business activities and registered offices of the Group companies are listed in Appendix V.

9. FINANCIAL ASSETS

The breakdown of financial assets at 31 December, excluding equity investments in group companies and associates (see Note 8), is as follows:

	EUR thousand							
Concept / Classification	Equity instruments		Debt securities		Loans, derivatives and other		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Non-current financial assets								
Financial assets at fair value through profit or loss	-	-	3,356	2,061	-	-	3,356	2,061
Financial assets at amortised cost	-	-	-	-	8,902	10,052	8,902	10,052
Financial assets at cost	13	13	24	30	8,887	85,215	8,924	85,258
Total non-current financial assets	**13**	**13**	**3,380**	**2,091**	**17,789**	**95,267**	**21,182**	**97,371**
Current financial assets								
Financial assets at amortised cost	-	-	-	-	748,393	708,997	748,393	708,997
Financial assets at cost	3	3	-	-	-	-	3	3
Total current financial assets	**3**	**3**	**-**	**-**	**748,393**	**708,997**	**748,396**	**709,000**

These amounts are included in the following statement of financial position line items:

Item \ Concept	Equity instruments		Debt securities		Loans, derivatives and other		Total	
	EUR thousand							
	2023	2022	2023	2022	2023	2022	2023	2022
Non-current financial assets								
Investments in group companies and associates	-	-	-	-	8,691	84,902	8,691	84,902
Non-current financial assets	13	13	3,380	2,091	9,098	10,365	12,491	12,469
Total non-current financial assets	**13**	**13**	**3,380**	**2,091**	**17,789**	**95,267**	**21,182**	**97,371**
Current financial assets								
Trade receivables	-	-	-	-	333,850	314,451	333,850	314,451
Trade receivables from group companies	-	-	-	-	29,744	17,504	29,744	17,504
Trade receivables from associates	-	-	-	-	5,581	6,247	5,581	6,247
Other receivables	-	-	-	-	55,509	21,917	55,509	21,917
Employee receivables	-	-	-	-	610	876	610	876
Current investments in group companies and associates	-	-	-	-	136,632	167,356	136,632	167,356
Current financial assets	3	3	-	-	186,467	180,646	186,470	180,649
Total current financial assets	**3**	**3**	**-**	**-**	**748,393**	**708,997**	**748,396**	**709,000**

9.1 Investments in group companies and associates: non-current loans

The detail of "Non-current loans to group companies and associates", net of allowances, at 31 December 2023 and 2022 is as follows:

Company	EUR thousand 2023	2022
Loans to group companies:		
OHL Industrial, S.L.U.	-	41,000
Pacadar, S.A.U.	-	39,849
Loans to associates:		
Concesionaria Ruta Bogotá Norte, S.A.S.	8,691	4,053
Total loans to group companies and associates	**8,691**	**84,902**

The decrease in loans to group companies was the result of the Hive Down carried out in 2023 (see Note 8).

The average interest rate on loans to group companies and associates in 2023 was 20.02%, while interest income from loans in the year totalled EUR 896 thousand.

9.2 Non-current financial assets

The balance of "Non-current financial assets" at 31 December 2023 and 2022 is as follows:

2023

Concept / Classification	EUR thousand				
	Non-current financial assets				
	Equity instruments	Loans to third parties	Debt securities	Other financial assets and derivatives	Total
Financial assets at fair value through profit or loss	-	-	3,356	-	3,356
Financial assets at amortised cost	-	-	-	8,902	8,902
Financial assets at cost	13	-	24	196	233
Total non-current financial assets	**13**	**-**	**3,380**	**9,098**	**12,491**

2022

Concept / Classification	EUR thousand				
	Non-current financial assets				
	Equity instruments	Loans to third parties	Debt securities	Other financial assets and derivatives	Total
Financial assets at fair value through profit or loss	-	-	2,061	-	2,061
Financial assets at amortised cost	-	-	-	10,052	10,052
Financial assets at cost	13	-	30	313	356
Total non-current financial assets	**13**	**-**	**2,091**	**10,365**	**12,469**

"Loans to third parties" includes a loan granted to Grupo Villar Mir, which was written off in full.

The estimated detail by maturity of items included under "Non-current financial assets" is as follows:

	EUR thousand					
Classification	2025	2026	2027	2028	Other	Total
Financial assets at fair value through profit or loss	-	-	-	-	3,356	3,356
Financial assets at amortised cost	7,331	154	-	1,210	207	8,902
Financial assets at cost	196	-	-	-	37	233
Total non-current financial assets	**7,527**	**154**	**-**	**1,210**	**3,600**	**12,491**

Impairment losses:

There were no changes in impairments recognised in this item in 2023.

The changes arising from the impairment losses/reversals recognised in 2022 were as follows:

2022	EUR thousand		
Classification	Accumulated impairment losses at the beginning of the year	Impairment losses / (reversals) recognised in the year	Accumulated impairment losses at the end of the year
Financial assets at fair value	-	100	100
Financial assets at amortised cost	33,263	(14,957)	18,306
Financial assets at cost	-	151	151

9.3 Trade receivables and advances from customers

The breakdown these items at 31 December 2023 and 2022 is as follows:

	EUR thousand	
	2023	2022
Trade receivables:		
Amounts to be billed for work or services performed	171,625	162,321
Progress billings receivable	177,832	181,415
Trade notes receivable	607	685
Retentions	44,823	30,870
Subtotal trade receivables	**394,887**	**375,291**
Provisions	(61,037)	(60,840)
Total trade receivables, net of allowances	**333,850**	**314,451**
Advances from customers	(176,247)	(251,165)
Total trade receivables net of allowances and advances	**157,603**	**63,286**

In 2023, EUR 7,891 thousand of progress billings related to this statement of financial position item were negotiated with banks (2022: EUR 23,986 thousand).

At 31 December 2023, the balance of trade receivables was reduced by EUR 48,487 thousand (2022: EUR 28,152 thousand) as a result of trade receivables factored to banks. Since these factoring arrangements are without recourse in the event of non-payment, they are treated as a reduction of trade receivables.

Of the total net balance at 31 December 2023 of trade receivables and advances from customers, EUR 60,679 thousand related to UTEs (2022: EUR 42,850 thousand).

The bulk of the balances of retentions from customers is recovered on completion and delivery of works/projects, in line with standard industry practice.

The breakdown of trade receivables by customer type at 31 December 2023 and 2022 is as follows:

Type of customer	EUR thousand 2023	2022
Spain:	**175,172**	**182,244**
Public sector:	**63,656**	**70,258**
Central government	12,804	8,400
Regional government	28,557	26,890
Local government	3,204	4,988
Other agencies	19,091	29,980
Private sector	**111,516**	**111,986**
Abroad:	**219,715**	**193,047**
Public sector	**173,044**	**141,842**
Private sector	**46,671**	**51,205**
Total	**394,887**	**375,291**

Of the balance of "Trade receivables" at 31 December 2023, 60% or EUR 236,700 thousand related to the public sector and 40% or EUR 158,187 thousand to the private sector (2022: 57% or EUR 212,100 thousand and 43% or EUR 163,191 thousand, respectively).

Trade receivables includes as amounts for projects or services to be billed both balances relating to delays in billing of work performed and balances related to work performed the billing to the customer of which the Company considers to be highly probable. Accordingly, the Company does not recognise any amounts subject to a dispute or claim against a customer. However, the Company continues to take the actions that it deems necessary to claim the amounts to which it considers that it is entitled.

The Company does not recognise as revenue under any circumstances claims made against customers until they are approved.

Of the balances of "Progress billings receivable" and "Trade notes receivable", which at 31 December 2023 totalled EUR 178,439 thousand (2022: EUR 182,100 thousand), 46% or EUR 82,220 thousand related to the public sector and 54% or EUR 96,219 thousand to the private sector (2022: 45% or EUR 82,372 thousand and 55% or EUR 99,728 thousand, respectively).

The balance of “Trade receivables” is presented net of valuation allowances for impairment. Movements in doubtful debts allowances on receivables in 2023 and 2022 were as follows:

	EUR thousand 2023	2022
Opening balance	(60,840)	(62,558)
Arising in the year	(225)	(53)
Amounts utilised	28	1,771
Closing balance	**(61,037)**	**(60,840)**

Total allowances at 31 December 2023 and 2022 related to uncollectible receivables on unpaid progress billings.

In determining the amount of the allowances for uncollectible receivables, estimates are made that take into account breaches of contractual payment obligations and probability of default, which are assessed individually for each contract and customer.

Other supplementary information on construction contracts and other contract revenue and costs by reference to the stage of completion.

Revenue from construction contracts and certain services contracts is recognised by reference to the stage of completion in accordance with the policies described in Note 4.11.

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

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

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

The following table sets out the amounts recognised in this connection at 31 December 2023 and 2022:

	EUR thousand			
	2023	2022	Difference	Chg. %
Amounts to be billed for work performed, net	171,625	162,321	9,304	5.73 %
Advances from customers	(176,247)	(251,165)	74,918	(29.83%)
Construction contracts, net	**(4,622)**	**(88,844)**	**84,222**	**(94.80%)**
Retentions	44,823	30,870	13,953	45.20 %
Net advances and retentions	**40,201**	**(57,974)**	**98,175**	**(169.34%)**

9.4 Trade receivables from group companies

The detail of "Trade receivables from group companies" as at 31 December 2023 and 2022, by company, is as follows:

Company	EUR thousand	
	2023	2022
Sociedad Concesionaria Hospitales Red Biobio, S.A.	12,130	4,880
Construcciones Colombianas OHL, S.A.S.	3,492	2,728
EYM Guinovart, S.A.U.	2,950	2,955
OHL USA, Inc.	2,065	4
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	1,423	-
OHL Colombia, S.A.S.	1,302	1,117
OHL Servicios Ingesan, S.A.U.	1,005	682
Less than EUR 1,000 thousand in both years	5,377	5,138
Total trade receivables from group companies	**29,744**	**17,504**

The balances in the preceding table do not earn interest and relate to balances arising in the ordinary course of the Company's business.

9.5 Trade receivables from associates

"Trade receivables from associates" includes trade receivables from associates and trade receivables at 31 December 2023 and 2022 from UTEs, after the proportionate consolidation of their statements of financial position and the related eliminations.

The detail of the balance is as follows:

Company	EUR thousand	
	2023	2022
Concesionaria Ruta Bogotá Norte, S.A.S. Colombia	4,079	4,384
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	823	856
Centro Canalejas Madrid, S.L. Spain	100	603
Less than EUR 500 thousand in both years	579	404
Total trade receivables from associates	**5,581**	**6,247**

The balances in the preceding table do not earn interest and relate to balances arising in the ordinary course of the Company's business.

9.6 Current investments in group companies and associates

9.6.1 Current investments in group companies

The breakdown of "Current investments in group companies" at 31 December 2023 and 2022 is as follows:

2023

Company	EUR thousand		
	Loans	Other financial assets	Total
OHL Operaciones, S.A.U.	-	36,965	36,965
OHL Andina, S.A.	12,177	-	12,177
OHL Servicios – Ingesán, S.A.U.	12,055	-	12,055
Construcciones Colombianas OHL, S.A.S.	633	4,666	5,299
Constructora e Inmobiliaria Huarte, Ltda.	5,274	-	5,274
OHL Construction Pacific PTY, Ltda.	-	5,100	5,100
OHL Industrial, S.L.U.	3,539	-	3,539
Agrupación Guinovart Obras y Servicios Hispania, S.A.U.	2,492	1,778	4,270
Asfaltos y Construcciones Elsan, S.A.U.	1,508	1	1,509
OHL Uruguay, S.A.	75	1,022	1,097
Vacua, S.A.	-	904	904
Sociedad Concesionaria Centro Justicia de Santiago, S.A.	-	881	881
Ecolaire España, S.A.U.	865	-	865
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	801	-	801
OHL Colombia, S.A.S.	-	601	601
OHL Industrial Chile, S.A.	532	-	532
OHL Arabia LLC	-	487	487
Consorcio Valko-OHL-Besalco, S.A.	-	460	460
OHL Infraestructuras, S.A.S.	2	380	382
Chemtrol Proyectos y Sistemas, S.L.U.	327	2	329
Less than EUR 300 thousand	455	262	717
TOTAL	**40,735**	**53,509**	**94,244**

2022

Company	Loans	Other financial assets	Total
	EUR thousand		
OHL Servicios - Ingesán, S.A.U.	44,347	1	44,348
Pacadar, S.A.U.	17,606	17	17,623
OHL Colombia, S.A.S.	15,087	135	15,222
Tenedora de Participaciones Tecnológicas, S.A.U.	7,433	35	7,468
Obrascón Huarte Lain, Desarrollos, S.A.U.	7,457	-	7,457
OHL Andina, S.A.	6,791	-	6,791
OHL Construction Pacific PTY, Ltda.	-	5,304	5,304
Constructora e Inmobiliaria Huarte, Ltda.	5,042	-	5,042
OHL Operaciones, S.A.U.	-	3,727	3,727
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	3,372	-	3,372
OHL Industrial, S.L.U.	2,758	2	2,760
Construcciones Colombianas OHL, S.A.S.	656	1,984	2,640
Agrupación Guinovart Obras y Servicios Hispania, S.A.U.	1,895	-	1,895
Asfaltos y Construcciones Elsan, S.A.U.	1,285	1	1,286
OHL Uruguay, S.A.	75	966	1,041
OHLA Concesiones, S.L.U.	1,014	-	1,014
Vacua, S.A.	-	968	968
Sociedad Concesionaria Centro Justicia de Santiago, S.A.	-	857	857
Ecolaire España, S.A.U.	855	-	855
OHL Industrial Chile, S.A.	514	-	514
Less than EUR 300 thousand	307	449	756
TOTAL	**116,494**	**14,446**	**130,940**

“Loans” includes financial contributions, interest and payables due to the tax effect.

The decrease in loans to OHL Desarrollos, S.A.U, OHLA Concesiones, S.L.U and with Pacadar, S.A.U was the result of the Hive Down carried out in 2023 (see Note 8).

At 31 December 2023, the receivable from OHL Servicios - Ingesán, S.A.U. arising from the financial contributions made for EUR 36,508 thousand was recognised under "Non-current assets held for sale" in accordance with Recognition and Measurement Standard 7 of the General Accounting Plan, as the process for selling the subsidiary had already begun.

The average interest rate applied in 2023 to financial contributions included in loans was 8.79% (2022: 7.02%) and the interest income generated by the financial contributions was EUR 10,887 thousand (2022: EUR 8,832 thousand).

The other balances in other financial assets related to the Company's ordinary business do not bear interest.

9.6.2 Current investments in associates

The detail of "Current investments in associates" and balances at 31 December 2023 and 2022 from UTEs after the proportionate integration of their statements of financial position and the related eliminations, is as follows:

2023

Company	Loans	Other financial assets	Total
	EUR thousand		
UTE Hospital Sidra. Qatar	-	26,976	26,976
UTE Estaciones Metro Doha. Qatar	-	6,289	6,289
Constructora Vespucio Oriente, S.A.	2,469	-	2,469
Ute Marmaray- Turquía	-	2,450	2,450
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	-	946	946
Consorcio Español Alta Velocidad Meca Medina, S.A. Spain	687	-	687
Consorcio Metropolitano Norte. Peru	-	382	382
UTE Ferrocarril Ankara-Estambul. Turkey	-	304	304
Less than EUR 300 thousand	262	1,623	1,885
Total current investments in associates	**3,418**	**38,970**	**42,388**

2022

Company	Loans	Other financial assets	Total
	EUR thousand		
UTE Hospital Sidra. Qatar	-	26,580	26,580
UTE Estaciones Metro Doha. Qatar	-	6,471	6,471
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	-	984	984
Consorcio Español Alta Velocidad Meca Medina, S.A. Spain	688	-	688
UTE Ferrocarril Ankara-Estambul. Turkey	-	304	304
Less than EUR 300 thousand	367	1,022	1,389
Total current investments in associates	**1,055**	**35,361**	**36,416**

The balances in other financial assets related to the Company's ordinary business do not bear interest.

9.7 Current financial assets

The detail of “Current financial assets” at 31 December 2023 and 2022 is as follows:

2023

Classification / Concept	Equity instruments	Loans to companies	Other financial assets	Total
	EUR thousand			
Financial assets at amortised cost	-	876	185,591	186,467
Financial assets at cost	3	-	-	3
Total current financial assets	**3**	**876**	**185,591**	**186,470**

2022	EUR thousand			
Classification / Concept	Equity instruments	Loans to companies	Other financial assets	Total
Financial assets at amortised cost	-	2	180,644	180,646
Financial assets at cost	3	-	-	3
Total current financial assets	**3**	**2**	**180,644**	**180,649**

"Other financial assets" includes mainly bank accounts pledged for EUR 173,981 thousand, including a deposit of EUR 140,000 thousand (2022: EUR 140,000 thousand) provided as security for a guarantee facility of up to EUR 354,391 thousand included in the Multiproduct Syndicated Facilities Agreement (MSF). This agreement, initially arranged in December 2016, has been novated several times, the last of which was on 16 May 2023. The facility currently matures on 30 June 2024. The Company expects to renew it at maturity.

9.8 Risk management policy

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

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

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

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

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

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

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

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

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

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

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

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

The Company's Risk Control and Management Policy and the rules included therein are reviewed annually to ensure that they remain aligned with the interests of the Group and its stakeholders and are available to all of them.

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

Project risk

Project risk management aims to ensure fulfilment of project obligations regarding scope, deadlines, margin and safety, and, in general, all contractual obligations. Therefore, events or situations that could jeopardise projects are identified before they occur and assessed appropriately, from identification of the opportunity and the tendering stage, so that mitigation measures can be implemented early. To help minimise this risk, OHLA Group set up a new Risk Control Committee with the aim of integrating methodologies and reporting on existing risks and identifiers in all areas of the organisation associated with project execution. The number of early warnings for monitoring of projects in progress also increased.

Price volatility and resource scarcity risks

The Company is exposed to the risk of shortages of human resources, subcontractors and suppliers, and certain products in its footprint markets. Moreover, increases in prices of certain cost components, such as raw materials (e.g. bitumen, steel), and energy prices affect the costs of the main supplies of goods and services the Group requires to carry on its operations. There might also be shortages or logistics disruptions that could cause delays in deliveries or the provision of goods and services.

Inflation eased in virtually all the Company's markets of operations in 2023. Nevertheless, the Group continues to monitor prices closely to achieve the right level of contingencies included in projects and estimates of cost trends for long-term projects. This is all still highly relevant in the light of the new sources of instability described below.

Geopolitical and market risks

Political unrest or changes in the legal and regulatory environment in countries where the Company operates can have significant impacts on the Company's ability to achieve its business objectives. Therefore, the Company monitors country risk closely in its domestic (home) markets as well as areas into which it might expand. With global geopolitical instability rising, in addition to the traditional bi-monthly updates by OHLA of country risk for all countries around the world, including their domestic markets, the country risk classification criteria and related approval scheme were updated in 2023 to reduce risks of penetrating new markets. Moreover, specific scenarios of the impact of the current geopolitical situation on the Company's operations are being assessed.

Alongside trends already envisaged after war broken out in Ukraine in 2022 —the global movement towards a new division into opposing blocs bodes well for strong volatility in exchange and interest rates, high inflation and potential global supply chains disruptions— just when the impact on the world economy of this war was already considered to have been largely absorbed, new sources of geopolitical instability cropped up posing risk to energy and transports costs, and supply chain security. These includes the war in Gaza, the attacks by Houthi militias on cargo ships in the Bab al-Mandeb strait in the Red Sea, threatening the transport of merchandise between Asia and the West, and the growing tension in the Gulf of Oman, which threatens a key hydrocarbon route and may be heightened by tensions between the West and Iran stemming from the Gaza conflict.

Image and reputation

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

Personnel risk

Personnel risk relates to the organisation's ability to attract the right people and to detect, retain, develop and utilise internal talent in the right way and at the right time. The Company has designed new retention packages and incentives and is targeting digital talent to streamline processes. International workshops were held to encourage cooperation and promote internal talent retention. Nevertheless, the lack of talent is a challenge all industries are facing and there are no indications this will improve in the short term.

Systems and cybersecurity risk

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

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

Litigation and arbitration risk

This is risk related to litigation in the sector bearing high costs, arising from disputes with customers or suppliers whose outcome will go against the Company's interests. The Company remains committed to strengthening its project contractual risk assessment and contractual management capabilities, as well as to carefully selecting partners and subcontractors.

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

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

Financial risks

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

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

Interest rate risk

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

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

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

Of the Company's total gross borrowings at 31 December 2023 and 2022, there were no derivative instruments designated as hedges, and floating-rate borrowings represented 96.69%.

The Company's sensitivity to a 0.5% increase in the interest rate, without considering fixed-rate borrowings, would be EUR 238 thousand on the Company's profit before tax.

Foreign currency risk

Management of foreign currency risk is centralised and a variety of hedging mechanisms are used to minimise the impact of changes in foreign exchange rates against the euro.

Foreign currency risks relate primarily to:

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

The Company enters into foreign currency derivatives and currency forwards to hedge significant future transactions and cash flows, in accordance with acceptable risk limits. There were no currency forwards in force at 31 December 2023 and 2022.

Meanwhile, net assets relating to net investments in foreign branches 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 branches during the integration process.

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

The sensitivity analysis of foreign currency risk of financial instruments for the main currencies in which the Company operates simulated a 10% increase in the foreign currency/euro exchange rate with respect to the rates applicable at 31 December 2023 and 2022. The potential impact is as follows:

	EUR thousand	
(Expense) / income	Profit/(loss)	
Currency	2023	2022
Norwegian krone	(873)	(1,362)
Algerian dinar	(113)	399
Kuwaiti dinar	(1,817)	(1,683)
US dollar	(2,285)	(5,938)
Chilean peso	(25,078)	(3,753)
Colombian peso	2,292	1,361
Mexican peso	(126)	(7,982)
Saudi Arabian riyal	(336)	(369)
Qatari riyal	(3,153)	(1,717)
Peruvian sol	(1,432)	(2,937)
Total	**(32,921)**	**(23,981)**

Had the sensitivity analysis included the simulation of a 10% decrease in the foreign currency/euro exchange rate with respect to the rates in force at 31 December 2023 and 2022, the net impact on profit or loss would be as follows:

	EUR thousand	
(Expense) / income	Profit/(loss)	
Currency	2023	2022
Norwegian krone	794	1,238
Algerian dinar	103	(363)
Kuwaiti dinar	1,652	1,530
US dollar	2,077	5,398
Chilean peso	22,798	3,412
Colombian peso	(2,084)	(1,237)
Mexican peso	115	7,257
Saudi Arabian riyal	305	336
Qatari riyal	2,867	1,561
Peruvian sol	1,302	2,670
Total	29,929	21,802

Credit risk

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

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

The net balances of the Company's financial assets exposed to credit risk at 31 December 2023 were:

Item	EUR thousand
Non-current financial assets	17,593
Trade and other receivables	463,058
Current financial assets	323,099
Cash and cash equivalents	133,914

Non-current financial assets

Non-current financial assets includes primarily net loans to associates and third parties. The Company does not expect any losses to arise from these financial assets.

Trade and other receivables

This item includes trade receivables amounting to EUR 333,850 thousand, of which 70.20% related to public sector customers for which the Group does not expect any losses to arise, although in certain cases there is a right to demand interest. The remaining 29.80% related to private sector customers which, in general, are highly solvent.

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

Liquidity risk

In 2021, the Group carried out a major financial restructuring, with the process improving its financial leverage and, accordingly, its ability to service its debt. Gross debt from the Group's notes fell from EUR 592,888 thousand to EUR 487,267 thousand, i.e. a total reduction of EUR 105,621 thousand or 17.8%.

After that, additional steps were taken to strengthen and bolster the liquidity position and further reduce debt in line with the commitments assumed with the Group's financial creditors through disposals (Old War Office Project; Hospital de Toledo S.A. and Mantholedo S.A.U.; and Aguas de Navarra S.A. and its operator in 2021) and other relevant amounts received (Cercanías Móstoles Navalcarnero in 2021 and 2022).

As a result, al 31 December 2023 gross debt from the Group’s Notes stood at EUR 412,209 thousand (nominal), with a reduction from the pre-restructuring period of 30.5%.

The Company's credit rating in July 2021 was Caa1, outlook positive, and in March 2022 it was assigned a corporate family rating (CFR) of B3, stable outlook, where it stands now. The rating on OHL Operaciones S.A.U.'s notes issue was upgraded from Caa2 to B3.

Even with its improved solvency, the Company has yet to recover the working capital financing instruments needed to run the business properly. Against this backdrop, the Company's directors continue strict monitoring of the liquidity position, focusing especially on cash flow generation from the businesses and improvement of working capital.

The 2024 business plan includes aspects that could give rise to uncertainties regarding its execution and, therefore, result in deviations (e.g. lower-than-expected order intake, unexpected working capital shortfalls, large amount of restricted cash), not to mention the impact on business performance that could arise from the ongoing conflicts around the world, which are posing a threat of higher energy and transport prices and causing a lack of security in supply chains which, coupled with occasional liquidity stress due to the seasonality of the business, could have an impact on the Company's forecasts for 2024.

To shore up liquidity and continue reducing debt, the Company continues to carry out the following:

i) Working with banks to secure the release of part of its restricted cash, which at 31 December 2023 amounted to EUR 173,981 thousand. These are restricted deposits primarily securing the Multiproduct Syndicated Facilities (MSF) agreement.
ii) Disposing of the Services activity, with part of the proceeds obtained most likely going to cancel the bridge loan (ICO) and the remainder to fund current operations.

As a result, the Company's liquidity position as at 31 December 2023, comprising cash and cash equivalents and current financial assets, stood at EUR 319,505 thousand (2022: EUR 271,909 thousand), broken down as follows:

- **Cash and cash equivalents** of EUR 91,265 thousand (2022: EUR 91,265 thousand), which included EUR 63,659 thousand related to the Group's interests in temporary business associations or joint ventures (UTEs) (2022: EUR 45,222 thousand).

- **Current financial assets** of EUR 185,591 thousand (2022: EUR 180,644 thousand), which include restricted assets pledged as security for EUR 173,981 thousand (2022: EUR 176,237 thousand), the main item of which is a deposit for EUR 140,000 thousand as collateral for the MSF.

The Company also has EUR 20,612 thousand (2022: 11,917 thousand) of **drawable credit lines and discount facilities**.

There is also the EUR 40,000 facility in the bridge financing loan backed by the ICO signed in May 2023, which had been drawn down in full as at 31 December 2023.

Interest-bearing loans and borrowings maturing within 12 months amount to EUR 49,462 thousand.

10. INVENTORIES

Detail of this item at 31 December 2023 and 2022:

2023	EUR thousand		
Concept	Gross balance	Write-downs	Net balance
Raw materials and other supplies	16,346	-	16,346
Auxiliary shop projects and site installations	3,754	-	3,754
Advances to suppliers and subcontractors	21,916	-	21,916
Total inventories	**42,016**	**-**	**42,016**

2022	EUR thousand		
Concept	Gross balance	Write-downs	Net balance
Raw materials and other supplies	13,975	-	13,975
Auxiliary shop projects and site installations	21,774	(3,428)	18,346
Advances to suppliers and subcontractors	16,940	-	16,940
Total inventories	**52,689**	**(3,428)**	**49,261**

Of the net balance at 31 December 2023, EUR 8,947 thousand related to UTEs (2022: EUR 28,609 thousand).

There are no significant purchase commitments related to advances to suppliers and subcontractors.

There were no indications of additional impairment of the Company's inventories at 31 December 2023 or 31 December 2022. The provision for inventory write-downs in 2023 was utilised in the amount of EUR 3,428 thousand.

11. CASH AND CASH EQUIVALENTS

"Cash and cash equivalents" includes the Company's fully liquid assets, comprising cash on hand and at banks, and short-term deposits with an original maturity of three months or less.

Of the balance at 31 December 2023, EUR 63,659 thousand related to UTEs (2022: EUR 45,222 thousand).

Use of these balances is unrestricted and they are not subject to risk of changes in value.

12. EQUITY AND SHAREHOLDERS'S EQUITY

12.1 Share capital

Share capital at 31 December 2023 amounted to EUR 147,781,146, divided into 591,124,583 shares of EUR 0.25 par value each, all of the same class and series.

The following table shows companies with a direct or indirect ownership interest of 3% or more in the share capital of Obrascón Huarte Lain, S.A. as at 31 December 2023:

Company	% ownership interest
Concerted action (Luis Fernando Martin Amodio and Julio	25.97
Simon Davies	9.90

12.2 Legal reserve

According to the Corporate Enterprises Act, the Company must earmark an amount equal to 10% of profit for the year to a legal reserve until such reserve reaches at least 20% of the capital.

Until the legal reserve exceeds this limit, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose. The legal reserve can be used to increase capital by the amount exceeding 10% of the increased capital amount.

The legal reserve was fully allocated at year-end 2023 and 2022.

12.3 Share premium

At December 31, 2022, the Company's share premium amounted to EUR 1,205,479 thousand.

In 2023, the balance of the share premium decreased by EUR 122,649 thousand following the registration of the corporate restructuring (Hive Down) carried out 2023 and agreed with financial creditors in 2021 as part of the financial restructuring carried out (see note 8).

The Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*) expressly permits the use of the share premium account balance to increase capital of the companies at which it is recognised and establishes no specific restrictions as to its use.

12.4 Other reserves

At 31 December 2023, "Other reserves" included restricted voluntary reserves amounting to EUR 100,292 thousand, the capital redemption reserve amounting to EUR 11,182 thousand and the reserve for differences on translation of capital to euros amounting to EUR 91 thousand.

The restricted voluntary reserve was allocated in 2021 as a result of the capital reduction carried out.

The redeemed capital reserve arose from the capital reductions carried out in 2006, 2009 and 2018 for the redemption of treasury shares.

These reserves, according to article 335 (c) of the Corporate Enterprises Act, may only be used if the same requirements as those stipulated for capital reductions are met, i.e. that shareholders at the General Meeting must decide on their use.

In 2023, the balance of the voluntary reserve decreased by EUR 15,832 thousand following registration of the corporate restructuring (Hive Down) carried out (see Note 8).

12.5 Limitations on the distribution of dividends

Until the balance of development expenditure has been fully amortised, no dividends may be distributed unless the unrestricted reserves are at least equal to the amount of the unamortised balance of this item. At year-end 2023, development expenditures had been amortised completely, so there was no balance in “Other reserves” (2022: EUR 0).

In addition, the Company will not pay dividends, in compliance with the terms and conditions of the New Notes, the Multiproduct Syndicated Facilities (MSF) agreement and other agreements with financial creditors, until the contracts mature.

12.6 Treasury shares

At year-end 2023, the Company held 700,695 treasury shares worth EUR 322 thousand.

The changes in treasury shares in 2023 and 2022 were as follows:

	No. of shares	EUR thousand
Balance at 31 December 2021	**541,296**	**504**
Purchases	24,289,551	17,215
Revenue	(24,091,990)	(17,378)
Balance at 31 December 2022	**738,857**	**341**
Purchases	38,438,314	18,737
Revenue	(38,476,476)	(18,756)
Balance at 31 December 2023	**700,695**	**322**

13. PROVISIONS, AND CONTINGENT ASSETS AND LIABILITIES

13.1 Provisions

The detail of provisions in the statement of financial position as at 31 December 2023 and 2022 is as follows:

Non-current provisions	EUR thousand			
Concept	Balance at 31 December 2022	Arising during the year	Utilised	Balance at 31 December 2023
Provisions for taxes	799	-	-	799
Provisions for employment benefits expense (see Note 17.3)	2,158	1,296	-	3,454
Provisions for investees	21,014	322	(4,314)	17,022
Total non-current provisions	**23,971**	**1,618**	**(4,314)**	**21,275**

Provisions for investees include the amount of losses of group companies from the date at which their carrying amount was equal to zero, as described in Appendix II. Increases in these provisions were recognised in "Other operating expenses" in the statement of profit or loss. The largest reduction related to the reversal of the provision for OHL Construction Pacific, PTY Ltd.

Current provisions	EUR thousand			
Concept	Balance at 31 December 2022	Arising during the year	Utilised	Balance at 31 December 2023
Termination benefits	4,251	537	-	4,788
Project completion	29,074	3,603	(6,515)	26,162
Management and other fees	5,262	4,863	(3,703)	6,422
Other provisions	85,094	14,392	(48,423)	51,063
Total current provisions	**123,681**	**23,395**	**(58,641)**	**88,435**

Of total current provisions at 31 December 2023, EUR 36,837 thousand related to UTEs (2022: EUR 52,776 thousand).

"Other provisions" relates to provisions for future contract losses and provisions for the Company's ordinary operations related to several items, such as guarantees and deposits, insurance, taxes, third-party liability and others corresponding to numerous contracts.

13.2 Contingent assets

No contingent assets were recognised as at 31 December 2023 and 2022.

13.3 Contingent liabilities

13.3.1 Guarantee commitments to third parties

At 31 December 2023 the Company had provided guarantees totalling EUR 4,299,677 thousand (2022: EUR 3,629,290 thousand), broken down as follows:

	EUR thousand	
Type	2023	2022
Completion bonds and guarantees for project bids	**1,661,506**	**1,534,887**
Definitive guarantees	1,629,929	1,496,839
Provision guarantees	31,577	38,048
Personal guarantees	**2,638,171**	**2,094,403**
Total	**4,299,677**	**3,629,290**

In line with standard industry practice, completion bonds and guarantees for project bids were provided to guarantee the proper performance of construction and project contracts (definitive guarantees), and as guarantees for construction project bids (provisional guarantees).

The joint and several personal guarantees secure various transactions and are provided mainly to banks.

The detail of the guarantees by type of entity at 31 December 2023 and 2022 is as follows:

2023	EUR thousand	
Secured entity	Completion bonds and guarantees for project bids	Personal guarantees
Obrascón Huarte Lain, S.A.	825,343	593
Group companies	797,904	2,637,578
Associates	38,259	-
Total	**1,661,506**	**2,638,171**

2022	EUR thousand	
Secured entity	Completion bonds and guarantees for project bids	Personal guarantees
Obrascón Huarte Lain, S.A.	821,278	135
Group companies	669,598	2,092,423
Associates	44,011	1,845
Total	**1,534,887**	**2,094,403**

Moreover, the Company is secondarily liable for obligations of subcontractors owed to social security agencies for on-site personnel.

The Company's directors do not expect these guarantees to give rise to additional liabilities affecting the financial statements for the year ended 31 December 2023.

13.3.2 Litigation

At year-end 2023, the Company was involved in a range of disputes arising from the ordinary course of business.

In the Construction division, the key disputes were:

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

  The joint venture seeks an award ordering reimbursement of enforced guarantees (QAR 880 million, or EUR 218.5 million), payment for scope modifications that were executed but remain unpaid, as acknowledged in the partial award (QAR 182 million, or EUR 46.5 million), acknowledgement of and payment for scope modifications that were executed but remain unpaid, in respect of which an arbitration award is yet to be made (QAR 76 million, or EUR 18.9 million) and payment of the costs of extended presence at the construction site, as already acknowledged in the partial award (QAR 190 million, or EUR 47.2 million). For its part, QF seeks acknowledgement of termination costs in excess of the consideration still outstanding under the contract (QAR 2,600 million, or EUR 645.5 million), defect repair costs (QAR 124 million, or EUR 30.8 million), defect repair costs yet to be fully determined (QAR 106 million, or EUR 26.3 million), further costs relating to defect repairs (QAR 238 million, EUR 59.1 million) and liquidated damages for the delay caused by the joint venture (QAR 792 million, EUR 196.6 million).

  The arbitration court is yet to decide on the merits of the claims and the value of any claim that may in the event be upheld. So far, the following items have been quantified: (i) the guarantee enforced against the joint venture (QAR 880 million, EUR 218.5 million), a fixed amount that in any case operates as a claim in favour of the joint venture; (ii) executed but still unpaid scope modifications, for which an arbitration award has already been rendered (QAR 182 million, EUR 45.2 million) - again, a fixed amount that operates as a claim in favour of the joint venture; and (iii) defect repair costs (QAR 124 million, EUR 30.8 million), a fixed amount that operates as a claim in favour of QF. No award ordering payment has yet been made. Any such award will be rendered once all the parties' claims have been determined and evaluated.

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

  Meanwhile, on 10 August 2023, in relation to this process and applying the back-to-back clauses with certain contractors, the JV filed a lawsuit against Doha Bank before the Qatari courts, seeking QAR 166.72 million (EUR 41.4 million) in principal and QAR 15 million (EUR 3.7 million) in damages for non-payment by Doha Bank of the JV's execution of first demand guarantees issued by that bank in guarantee of Voltas' obligations.

On 17 August 2023, Voltas filed a lawsuit with the Qatari courts against the joint venture (JV) comprising the Company and Contrack Cyprus Ltda. (55%-45%, respectively), seeking the halt to the enforcement of the guarantees initiated by the JV and QAR 771.63 million (EUR 191.6 million) as an alleged claim arising from the contract entered into between the JV and the Kentz-Voltas Consortium, which acted as subcontractor on the Sidra Hospital project, plus QAR 300 million (EUR 74.5 million) in damages. The Sidra Hospital site ceased all activity on 22 July 2014, when Qatar Foundation terminated the contract and forced the JV and all its subcontractors, including the Kentz-Voltas Consortium, to abandon the site. Between July 2013 and August 2023, the Kentz-Voltas Consortium did not express any claim against the JV. It merely renewed each year the guarantees issued to the JV for fulfilment of the obligations of the Kentz-Voltas Consortium. The lawsuit arose after enforcement of the guarantees.

The JV lodged a counterclaim, seeking payment from Voltas of QAR 2,884.75 million (EUR 716.2 million) plus QAR 300 million (EUR 74.5 million) in damages.

Kentz filed a lawsuit with Qatari courts against the JV seeking QAR 876.86 million (EUR 217.7 million) in relation to the agreement entered into between the JV the Kentz-Voltas Consortium, which acted as subcontractor on the Sidra Hospital project, plus QAR 300 million (EUR 74.5 million) in damages.

The JV lodged a counterclaim, seeking QAR 2,986.75 million (EUR 741.5 million) plus QAR 300 million (EUR 74.5 million) in damages.

The Company's directors concluded that, despite the level of uncertainty, it was unlikely that the Group would suffer any economic loss from those lawsuits.

- On 7 February 2017, Rizzani de Eccher, SpA, Trevi, SpA and Obrascón Huarte Lain, S.A. instituted investment protection arbitration proceedings against the State of Kuwait before ICSID (International Centre for Settlement of Investment Disputes) in connection with the contract "**Construction, Completion and Maintenance of Roads, Overpasses, Sanitary and Storm Water Drains, as well as other Services for Jamal Abdul Nasser Street**". OHL owns a 50% stake in the joint venture, a construction company. The arbitration was initiated under international treaties for reciprocal protection of investments signed by Kuwait, Spain and Italy. In the performance of the contract, the State of Kuwait breached the treaty by engaging in obstructive, abusive and arbitrary actions to the detriment of foreign investors.

  In its memorial, the joint venture quantified the damages owed to it at KWD 100.6 million (EUR 296.3 million), or, in the alternative, KWD 90.4 million (EUR 266.2 million), plus, in any event, KWD 2.3 million (EUR 6.8 million), based on an assessment by independent consultants. Kuwait filed a counter-memorial, containing a counter-claim for KWD 32.1 million (EUR 94.5 million). On 15 December 2022, the Arbitration Court ruled on the proceeding, rejecting by majority, with one dissenting vote, both the joint venture's claim and Kuwait's counterclaim as it considered that the Kuwaiti courts had jurisdiction. On 6 March 2023, the joint venture filed an appeal against this decision.

- On 13 December 2017, Samsung C&T Corporation, Obrascón Huarte Lain, S.A. and Qatar Building Company filed a request for arbitration before the International Chamber of Commerce against Qatar Railways Company in connection with the contract "**Design & Build Package 5 – Major Stations – Doha Metro Project**". OHL owns a 30% stake in the joint venture, a construction company. The joint venture seeks damages initially estimated at QAR 1,500 million (EUR 372.4 million). Kuwait filed an initial counter-claim for QAR 1,000 million (EUR 248.3 million). The arbitration court declared that it was not competent to hear the case because at the time the request for arbitration was filed the requirements under the arbitration clause had not been met. The joint venture then filed a new request for arbitration seeking damages initially estimated at QAR 1,400 million (EUR 347.6 million). Qatar Railways then counter-claimed for damages initially estimated at QAR 860 million (EUR 213.5 million).

  On 31 December 2023, the Arbitration Court issued a partial ruling declaring the termination of the contract by Qatar Rail and removal of the joint venture from the construction site of the works in breach of contract, illegal and invalid.

  The Company's directors drew the conclusion it is unlikely that the Company will suffer any additional economic loss.

- After a suspension period, proceedings resumed by Obrascón Huarte Lain, S.A. against the Polish company PGB, S.A. OHL seeks damages of PLN 191.5 million (EUR 44.1 million) as a consequence of PGB's liabilities as a partner in the **construction consortium for the Slowacckiego IV project in Gdansk, Poland**. PBG has entered bankruptcy. The company is deciding what its next steps will be.

- After the sale in April 2018 of its OHL Concesiones subsidiary to IFM Group, the Company has been involved in several arbitration proceedings with concession operators belonging to the Aleática Group (formerly OHL Concesiones), in its capacity as builder. For instance, on 24 November 2022, OHL was sued by Aleatica, S.A., which claimed USD 62.7 million (EUR 56.7 million) or subsidiarily USD 53.5 million (EUR 48.4 million) related to a receivables assignment agreement entered into on 28 September 2016 between OHL and OHL Concesiones S.A.U. (former name of Aleatica, S.A.) under which OHL assigned to Aleatica a receivable from Autopista del Norte, S.A.C. (a Peruvian subsidiary of Aleatica) arising from the **Red Vial 4 construction contract**. The Company rejected the claim.

  To close this claim, mutual claims between Aleática and other OHLA Group companies and other minor claims made by IFM related to compensation over the sale of OHL Concesiones, OHLA Group reached an agreement with Aleática (formerly OHL Concesiones S.L) and IFM.

  Regarding the agreement of Autopista del Norte, it agreed a total payment of EUR 38.0 million, with EUR 9.0 million stipulated in the agreement for a claim of compensation related to the sale of OHL Concesiones, and payment of EUR 28.0 million for settlement of the claim related to Autopista del Norte, S.A.C (a Peruvian subsidiary of Aléatica).

  These amounts would be paid as follows: an upfront payment of EUR 1.0 million in 2024, EUR 8.5 million no later than 31 March 2026 (or earlier in specific circumstances) and the remaining EUR 28.5 million on 31 March 2030. The final payment is without any accrued interest. The amount is recognised under "Other non-current liabilities" in the Company's statement of financial position as at 31 December 2023.

  Failure to meet any payment obligation will trigger late payment interest of 10.0% from that moment.

This agreement had a positive net impact of EUR 7.6 million on the Company's statement of profit or loss for the year ended 31 December 2023.

- The Company is suing the Chilean tax ministry and the Chilean ministry of public works in over the contract to build the **Chacrillas** reservoir. The Company seeks damages of CLP 30,169 million (EUR 31 million).

- The Company is suing the Viña del Mar Health Service (Chile) over the Hospital Gustavo Fricke construction contract. The Company seeks damages of CLP 84,826.15 million (EUR 87.1 million).

Regarding the “Lezo Affair”:

- Ancillary proceeding 3.

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

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

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

- Ancillary proceeding 8.

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

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

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

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

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

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

13.3.3 Other contingent liabilities

"Contingent liabilities" are ordinary liabilities for fulfilment of construction contracts entered into by construction companies, including UTEs in which they have an interest. Moreover, there is secondary liability for obligations of subcontractors owed to social security agencies for on-site personnel. The Company is not expected to incur any loss in this regard.

Further events worth disclosing:

- On 21 July 2020, the Spanish competition watchdog (**Comisión Nacional de los Mercados y la Competencia or "CNMC"**) commenced infringement proceedings S/0021/20:OBRA CIVIL 2, against OHL, S.A. and several other companies concerning alleged conduct contrary to Article 1 of the Spanish Competition Act (LDC) and Article 101 of the Treaty on the Functioning of the European Union. It is alleged that the companies made agreements and shared information with the intention or the effect of restricting competition for contracts put out to tender by government bodies in Spain to build and restore infrastructure and buildings.

  On 6 July 2022, the CNMC Competition Board notified OHL, S.A. of its resolution, imposing a fine of EUR 21.5 million. On 23 July 2022, OHL, S.A. submitted an application for judicial review against the resolution with the National High Court and filed its suit on 14 October 2022. Together with the statement of interposition, it requested that the CNMC resolution be suspended. This request was granted by the National High Court in a ruling dated 30 September 2022.The case is pending judgment by the Chamber (vote and ruling).

- On 10 March 2021, the **Peruvian competition authority** was asked to consider imposing a penalty on the Company for alleged practices of "horizontal collusion" (i.e., price-fixing) in connection with government tenders in Peru in the period 2002-2016. The proposed fine would come to USD 51 million (EUR 46.2 million). On 17 November 2021, a first-instance decision was issued, imposing a penalty on the Company of UIT 28,268.88 (EUR 34.2 million). An application for judicial review was submitted, so the proceeding is still in the administrative phase. In the view of the directors and the legal advisors, at the date of issue of the accompanying financial statements there was no reason to recognise any provision in this respect.

14. FINANCIAL LIABILITIES

The detail of financial liabilities at 31 December is as follows:

Concept / Classification	EUR thousand					
	Bank borrowings		Other liabilities		Total	
	2023	2022	2023	2022	2023	2022
Non-current financial liabilities						
Financial liabilities at amortised cost	3	18	59,487	547,448	59,490	547,466
Total non-current financial liabilities	**3**	**18**	**59,487**	**547,448**	**59,490**	**547,466**
Current financial liabilities						
Financial liabilities at amortised cost	49,462	9,055	804,685	896,127	854,147	905,182
Total current financial liabilities	**49,462**	**9,055**	**804,685**	**896,127**	**854,147**	**905,182**
Total financial liabilities	**49,465**	**9,073**	**864,172**	**1,443,575**	**913,637**	**1,452,648**

These amounts are included in the following statement of financial position line items:

Headings \ Concept	Bank borrowings 2023 (EUR thousand)	Bank borrowings 2022	Other liabilities 2023	Other liabilities 2022	Total 2023	Total 2022
Non-current financial liabilities						
Loans and borrowings	3	18	59,487	14,786	59,490	14,804
Loans and borrowings from group companies and associates	-	-	-	532,662	-	532,662
Total non-current financial liabilities	**3**	**18**	**59,487**	**547,448**	**59,490**	**547,466**
Current financial liabilities						
Current loans and borrowings	49,462	9,055	19,498	20,750	68,960	29,805
Loans and borrowings from group companies and associates	-	-	113,999	258,760	113,999	258,760
Trade payables	-	-	369,648	276,092	369,648	276,092
Trade notes payable	-	-	57,687	41,895	57,687	41,895
Trade payables to group companies and associates	-	-	53,721	36,567	53,721	36,567
Employee receivables	-	-	13,885	10,898	13,885	10,898
Advances from customers	-	-	176,247	251,165	176,247	251,165
Total current financial liabilities	**49,462**	**9,055**	**804,685**	**896,127**	**854,147**	**905,182**
Total financial liabilities	**49,465**	**9,073**	**864,172**	**1,443,575**	**913,637**	**1,452,648**

14.1 Non-current and current loans and borrowings

Balance of “Non-current loans and borrowings” at 31 December 2023 and 2022:

2023

Classification \ Concept	Bank borrowings (EUR thousand – Non-current financial assets)	Finance lease payables	Other financial liabilities	Total
Financial liabilities at amortised cost	3	2,868	56,619	59,490
Total non-current loans and borrowings	**3**	**2,868**	**56,619**	**59,490**

2022

Classification \ Concept	Bank borrowings (EUR thousand – Non-current financial assets)	Finance lease payables	Other financial liabilities	Total
Financial liabilities at amortised cost	18	195	14,591	14,804
Total non-current loans and borrowings	**18**	**195**	**14,591**	**14,804**

Balance of “Current loans and borrowings” at 31 December 2023 and 2022:

2023 Classification / Concept	EUR thousand			
	Current financial assets			
	Bank borrowings	Finance lease payables	Other financial liabilities	Total
Financial liabilities at amortised cost	49,462	1,722	17,776	68,960
Total current loans and borrowings	**49,462**	**1,722**	**17,776**	**68,960**

2022 Classification / Concept	EUR thousand			
	Current financial assets			
	Bank borrowings	Finance lease payables	Other financial liabilities	Total
Financial liabilities at amortised cost	9,055	145	20,605	29,805
Total current loans and borrowings	**9,055**	**145**	**20,605**	**29,805**

The detail of “Non-current and current loans and borrowings” by maturity is as follows:

Concept	EUR thousand				
	2024	2025	2026	Other	Total
Bank borrowings	49,462	3	-	-	49,465
Finance lease payables	1,722	1,837	898	133	4,590
Other financial liabilities	17,776	19,551	8,568	28,500	74,395
Total non-current and current loans and borrowings	**68,960**	**21,391**	**9,466**	**28,633**	**128,450**

Of total "Non-current loans and borrowings" at 31 December 2023, EUR 13,984 thousand related to UTEs (2022: EUR 1,949 thousand).

Of total "Current loans and borrowings" at 31 December 2023, EUR 1,624 thousand related to UTEs (2022: EUR 3,521 thousand).

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

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

At 31 December 2023, the Company had a EUR 19 thousand loan facility (2022: EUR 33 thousand), secured by a mortgage on certain investment properties.

The Company has discount and credit facilities at 31 December 2023 and 2022 with the following limits:

	EUR thousand			
	2023		2022	
	Limit	Undrawn amount	Limit	Undrawn amount
Credit facilities	70,591	20,612	20,957	11,917
Total	**70,591**	**20,612**	**20,957**	**11,917**

These credit facilities accrued average interest in 2023 of 9.74% (2022: 5.18%).

14.2 Non-current and current borrowings with group companies and associates

The breakdown of these items at 31 December 2023 and 2022 is as follows:

2023	EUR thousand		
	Group	Group	Associates
Company	Non-current	Current	Current
OHL Andina, S.A.	-	52,316	-
OHL Austral, S.A.	-	28,254	-
Sociedad Concesionaria Centro Justicia de Santiago, S.A.	-	19,586	-
OHL Industrial, S.L.U.	-	4,601	-
Constructora TP, S.A.C.	-	1,634	-
Obrascón Huarte Laín, Desarrollos, S.A.U.	-	1,519	-
Pacadar, S.A.U.	-	781	-
Borrowings less than EUR 300 thousand	-	886	-
UTE Hospital Alajuela. Costa Rica	-	-	441
Ute Bloque Aeropuerto Bilbao. Spain	-	-	334
UTE San Blas Cultural Lote 3. Spain	-	-	328
UTE Puerto-Caldereta. Spain	-	-	324
UTE Kuwait JV2. Kuwait	-	-	306
Borrowings less than EUR 300 thousand	-	-	2,689
Total	-	**109,577**	**4,422**

2022	EUR thousand		
	Group	Group	Associates
Company	Non-current	Current	Current
OHL Operaciones, S.A.U.	428,400	8,719	-
Constructora de Proyectos Viales de México, S.A. de C.V.	104,262	423	-
OHL Andina, S.A.	-	47,218	-
Agrupación Guinovart Obras y Servicios Hispania, S.A.U.	-	46,416	-
S.A. Trabajos y Obras (SATO)	-	37,620	-
OHL Industrial, S.L.U.	-	27,757	-
OHL Austral, S.A.	-	27,465	-
Sociedad Concesionaria Centro Justicia de Santiago, S.A.	-	19,964	-
Asfaltos y Construcciones Elsan, S.A.U.	-	16,410	-
Avalora Tecnologías de la Información, S.A.U.	-	4,596	-
Construcciones Adolfo Sobrino, S.A.U.	-	2,971	-
Constructora TP, S.A.C.	-	1,626	-
EyM Guinovart, S.A.U.	-	1,400	-
OHL Arabia, LLC	-	1,392	-
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	-	1,355	-
Pacadar, S.A.U.	-	457	-
Obrascón Huarte Laín, Desarrollos, S.A.U.	-	300	-
Borrowings less than EUR 300 thousand	-	582	-
UTE Marmaray. Turkey	-	-	7,439
UTE Schofields Road Two. Australia	-	-	563
UTE Angiozar. Spain	-	-	475
UTE Hospital Alajuela. Costa Rica	-	-	358
UTE Puerto-Caldereta. Spain	-	-	322
UTE Kuwait JV4. Kuwait	-	-	318
UTE Caldereta Corralejo. Spain	-	-	304
Borrowings less than EUR 300 thousand	-	-	2,310
Total	**532,662**	**246,671**	**12,089**

“Current” under "Group" includes mainly loans and borrowings due to the tax effect.

The decrease in “Loans to group companies” was the result of the final phase of the Hive Down carried out in 2023 (see Note 8).

Finance costs generated on loans in 2023 amounted to EUR 75,036 thousand (2022: EUR 73,775 thousand) (see Note 18.1).

The average interest applied to current financial contributions to Group companies in 2023 was 9.09% (2022: 7.13%). The remaining balances are trade transactions and, therefore, did not accrue any interest.

14.3 Trade payables

14.3.1 Information on average payment period to suppliers. Additional Provision Three. “Disclosure requirements of Law 18/2022, of 28 September"

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

In accordance with this law, set out below are disclosures on the average payment period, ratios of transactions paid and transactions outstanding as a 31 December 2023 and 2022 and the monetary value of invoices paid within the legally stipulated deadline and the percentages these represent of total invoices and the monetary value of payments to suppliers as at 31 December 2023 and 2022:

	Days	
Concept	**2023**	**2022**
Average supplier payment period	68	72
Ratio of transactions paid	70	75
Ratio of transactions outstanding	59	60

	EUR thousand	
Concept	**2023**	**2022**
Total payments made	358,049	278,287
Total payments outstanding	76,619	49,764

Invoices paid within the legally stipulated deadline:	2023	2022
Monetary value (EUR thousand)	122,186	64,501
Number of invoices	19,136	17,320
Monetary value/total	34 %	23 %
Number of invoices/total	40 %	40 %

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

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

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

The Company is taking measures to comply with the ratio of outstanding transactions, which exceeds the statutory limit, but not significantly.

14.3.2 Trade payables to group companies and associates

The detail of "Trade payables to group companies and associates" at 31 December 2023 and 2022 is as follows:

2023	EUR thousand	
Company	Group	Associates
Sociedad Concesionaria Hospitales Red Biobio, S.A.	13,788	-
EyM Guinovart, S.A.U.	11,091	-
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	4,440	-
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	1,995	-
Constructora de Proyectos Viales de México, S.A. de C.V.	1,194	-
Construcciones Colombianas OHL, S.A.S.	1,125	-
Premol, S.A. de C.V.	954	-
Pacadar, S.A.U.	665	-
Avalora Tecnologías de la Información, S.A.U.	622	-
OHL Colombia, S.A.S.	546	-
Asfaltos y Construcciones Elsan, S.A.U.	502	-
Pacadar Panamá, S.A.	376	-
Concesionaria Ruta Bogotá Norte, S.A.S. Colombia	-	6,665
Sociedad Concesionaria Vespucio Oriente, S.A. Chile	-	3,942
Consorcio Defensas Ribereñas Huarmey.Perú	-	2,643
Consorcio Canteras Rios Casma-Huarmey. Peru	-	900
Consorcio Cantera OHLA-PEVOEX. Peru	-	900
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	-	373
Less than EUR 300 thousand	868	132
Total	**38,166**	**15,555**

2022	EUR thousand	
Company	Group	Associates
EyM Guinovart, S.A.U.	11,265	-
Sociedad Concesionaria Hospitales Red Biobio, S.A.	7,529	-
Pacadar Panamá, S.A.	1,678	-
Asfaltos y Construcciones Elsan, S.A.U.	1,561	-
Premol, S.A. de C.V.	1,521	-
Constructora de Proyectos Viales de México, S.A. de C.V.	899	-
Construcciones Colombianas OHL, S.A.S.	825	-
OHL Servicios Ingesan, S.A.U.	642	-
OHL Colombia, S.A.S.	314	-
Less than EUR 300 thousand	1,089	-
Sociedad Concesionaria Vespucio Oriente, S.A. Chile	-	4,559
UTE Rizzani OHL Boodai Trevi (JV4). Kuwait	-	2,948
Consorcio Cantera OHLA-PEVOEX. Peru	-	645
Consorcio Canteras Rios Casma-Huarmey. Peru	-	549
Concesionaria Ruta Bogotá Norte, S.A.S. Colombia	-	542
Less than EUR 300 thousand	-	1
Total	**27,323**	**9,244**

These balances are trade transactions and, therefore, do not accrue any interest.

14.3.3 Trade and other payables

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

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

As at 31 December 2023, the balance of “reverse factoring” in “Trade and other payables” amounted to EUR 1,877 thousand (2022: EUR 1,214 thousand).

15. TAX MATTERS

15.1 Current tax receivables and payables

The detail of the current tax receivables and payables at 31 December 2023 and 2022 is as follows:

Tax receivables	EUR thousand	
	2023	2022
Current tax assets:	**30,604**	**29,418**
Income tax prepayments	1,727	2,771
Withholdings on investment income	27,883	26,112
Income tax refund	994	535
Other tax receivables:	**7,160**	**12,858**
Sales tax refundable	5,514	6,357
Other tax receivables	1,608	4,277
Social Security receivable	38	2,224
Total	**37,764**	**42,276**

Tax payables	EUR thousand	
	2023	2022
Current tax liabilities:	**9,764**	**5,365**
Income tax payable	9,764	5,365
Other tax payables:	**35,043**	**28,393**
Sales tax payable	23,036	17,780
Business and professional income tax payable	2,174	2,461
Tax payable on investment income	1,598	1,556
Other tax payables	5,444	4,277
Social Security payable	2,791	2,319
Total	**44,807**	**33,758**

Since 1 January 2019 the Company has filed consolidated VAT returns under no. IVA0028/19, and is the Parent of the tax group.

15.2 Reconciliation of accounting profit and taxable income

The Company has filed consolidated income tax returns since 1999 and is head of the consolidated tax group.

Income tax expense/(income) in 2023 amounted to EUR 17,127 thousand.

Income tax is calculated based on accounting profit or loss, obtained by applying generally accepted accounting principles. It does not necessarily coincide with taxable profit or tax loss, understood as the tax base.

Reconciliation of accounting profit (loss) and the Company's taxable profit (loss) at 31 December 2023 and 2022:

2023	EUR thousand		
	Increases	Decreases	Total
Accounting profit/(loss) before tax			**(29,920)**
Permanent differences	1,209,353	(1,224,217)	(14,864)
Temporary differences:			
Arising in the year	2,223	(13,445)	(11,222)
Arising in prior years	9,574	(27,064)	(17,490)
Offset of tax losses			
Taxable profit/(loss)			**(73,496)**

2022 (*)	EUR thousand		
	Increases	Decreases	Total
Accounting profit/(loss) before tax			**(55,923)**
Permanent differences	56,671	(89,728)	(33,057)
Temporary differences:			
Arising in the year	3,624	(9,574)	(5,950)
Arising in prior years	9,201	(16,834)	(7,633)
Offset of tax losses			**-**
Taxable profit/(loss)			**(102,563)**

(*) Relates to the income tax filed

Permanent differences in 2023 and 2022 related mainly to expenses non-tax-deductible expenses, profit or loss obtained abroad, the recognition and utilisation of provisions and the exemption of tax on dividends and capital gains.

Temporary differences arise from: the profit or loss of UTEs, the recognition of which for tax purposes is deferred for one year; the contribution to employee retirement insurance; and the recognition and utilisation of provisions considered non-tax- deductible or taxable.

15.3 Breakdown of Spanish income tax

The breakdown of Spanish income tax expense/(income) at 31 December 2023 and 2022 is as follows:

	EUR thousand	
Item	2023	2022
Current tax	(4,091)	(4,605)
Deferred tax	7,178	2,577
Positive/negative adjustments to income tax	(629)	7,975
Total income tax expense/(income)	**2,458**	**5,947**

Deferred tax relates to the reversal of other adjustments of deferred taxes, which arose in the current year.

15.4 Tax recognised in equity

No tax was recognised directly in equity in 2023.

Taxes recognised directly in equity at 31 December 2022 were as follows:

2022	EUR thousand		
	Increases	Decreases	Total
Current tax	-	-	-
Total current tax	-	-	-
Deferred tax			
Arising in prior years:			
Government grants	52	-	52
Total deferred tax	**52**	**-**	**52**
Total tax recognised directly in equity	**52**	**-**	**52**

15.5 Deferred tax assets

The detail of "Deferred tax assets" at 31 December 2023 and 2022 is as follows:

	EUR thousand	
	2023	2022
Deductible temporary differences	9,999	18,310
Unused tax credits and tax relief	-	2
Carry forward of unused tax losses	12,347	18,686
Total deferred tax assets	**22,346**	**36,998**

The Company reassessed the recoverability of deferred tax assets based on a long-term business plan, which include assumptions regarding transaction volume and expected returns in line with technical and financial capabilities, and the outlook for the markets in which it operates. No risks of recoverability were uncovered by the reassessment of outstanding balances at 31 December 2023 within the recovery periods provided in Spanish accounting regulations.

At 31 December 2023, the Company had EUR 939,755 thousand of unused tax losses carried forward that can be utilised in future tax returns. According to Spanish tax law, there is no time limit for offset. Most of the tax losses have not been recognised for accounting purposes.

In addition, the Company has unused tax losses in other jurisdictions for an amount equivalent to EUR 299,496 thousand, broken down by maturity as follows:

	Maturity				
Jurisdiction	Up to 5 years	Up to 10 years	More than 20	No time limit	Total
Europe	2,775	-	-	114,728	117,503
Latin America	16,363	6,190	11,220	7,948	41,721
Asia, Africa and Oceania	99,892	-	-	40,380	140,272
Total	**119,030**	**6,190**	**11,220**	**163,056**	**299,496**

The detail of unused tax credits (not recognised for accounting purposes) as at 31 December 2023 available for deduction in future tax returns is as follows:

Type of tax credit	Amount EUR thousand	Last year for utilisation:
Abroad	2,246	No limit
Reinvestment tax credits	883	2024
R&D&I tax credits	6,195	2024
Other	2,636	2024

15.6 deferred tax liabilities

The detail of "Deferred tax assets" at 31 December 2023 and 2022 is as follows:

Item	EUR thousand	
	2023	2022
Taxable temporary differences	5,484	4,570
Total deferred tax liabilities	**5,484**	**4,570**

15.7 Years open to inspection and tax audits

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

At year-end 2023, the Company and its UTEs were subject to review by the taxation authorities for the tax periods that were not beyond the statute of limitations for all taxes applicable to them.

Regarding the audit of income tax for 2014 to 2017, on 5 December 2022, the AEAT notified the Company of the settlement agreement whereby it legalised EUR 10,297 thousand of tax losses. This did not give rise to any amount payable. The Company disputed this settlement and filed an appeal with the Central Economic Administrative Court, which has yet to be settled.

In 2023, the Algerian authorities notified the Company's branch in Algeria of a final audit of 2017 and in early 2024 verification of its 2018 to 2020 fiscal years for income tax, business activity tax and value added tax, for a total amount (principal + penalties) of EUR 31,242 thousand.

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

16. UTEs

Sales, assets and liabilities of UTEs before eliminations at 31 December 2023 and 2022 are as follows:

	EUR thousand	
	2023	2022
Revenue	194,823	234,422
Non-current assets	6,063	6,342
Current assets	377,358	365,503
Non-current liabilities	14,263	2,149
Current liabilities	327,880	343,681

Appendix I provides information on percentage ownership and revenue for the main UTEs in which the Company has interests.

17. REVENUE AND EXPENSES

17.1 Revenue

In 2023, Obrascón Huarte Lain, S.A. obtained revenue of EUR 749,941 thousand (2022: EUR 738,393 thousand), broken down by activity, type of customer and geographical market as follows:

	EUR thousand	
Business activity	2023	2022
Civil engineering work in Spain	**148,987**	**129,230**
Roads	40,880	53,393
Hydraulic works	46,614	21,162
Railways	45,529	46,487
Maritime	3,697	3,613
Other civil engineering work	12,267	4,575
Building construction in Spain	**208,007**	**175,843**
Residential	25,646	10,256
Non-residential	182,361	165,587
Other	**1,847**	**637**
Total construction in Spain	**358,841**	**305,710**
Civil engineering work abroad	**300,309**	**318,870**
Roads	35,747	137,218
Hydraulic works	175,452	86,529
Railways	88,575	90,134
Maritime and other civil engineering work	535	4,989
Building construction abroad	**90,791**	**113,813**
Non-residential	90,791	113,813
Total construction abroad	**391,100**	**432,683**
Total revenue	**749,941**	**738,393**

Type of customer	EUR thousand 2023	2022
Spain:		
Public sector customers:	**200,562**	**195,131**
Central government	47,105	31,904
Regional government	77,954	75,251
Local government	9,900	5,655
Other agencies	65,603	82,321
Private sector customers	**158,279**	**110,579**
Total Spain	**358,841**	**305,710**
Abroad:		
Public sector customers	297,397	283,203
Private sector customers	93,703	149,480
Total abroad	**391,100**	**432,683**
Total revenue	**749,941**	**738,393**

Geographical area	EUR thousand 2023	2022
Spain:		
Spain	358,841	305,710
Total Spain	**358,841**	**305,710**
Abroad:		
Chile	67,571	108,030
Peru	227,119	220,401
ROW	96,410	104,252
Total abroad	**391,100**	**432,683**
Total revenue	**749,941**	**783,393**

Of the total balance of revenue at 31 December 2023, EUR 194,823 thousand related to UTEs (2022: EUR 234,422 thousand).

The countries where the Company conducts business on a permanent basis, i.e. where it has a local presence, are Spain, Chile and Peru. The Company also has a presence in other countries that are not considered local markets currently and are grouped together under "ROW".

The balance of "Other operating income" in the statement of profit or loss at 31 December 2023 included EUR 190,278 thousand of revenue from the rendering of services to Group companies and to third parties, and compensation received from third parties (2022: EUR 79,601 thousand).

17.2 Cost of sales

Detail of "Cost of sales" in the accompanying statement of profit or loss for the years ended 31 December 2023 and 2022:

	EUR thousand	
	2023	2022
Purchases of construction materials and machinery spare parts	182,480	116,204
Change in inventories of construction materials and machinery spare parts	(2,377)	376
Cost of construction materials and machinery parts used	**180,103**	**116,580**
Subcontracted work	377,403	378,321
Total cost of sales	**557,506**	**494,901**

Cost of sales at 31 December 2023 included EUR 122,934 thousand from UTEs (2022: EUR 117,682 thousand).

The detail of purchases made by the Company in 2023 and 2022 by origin is as follows:

2023	EUR thousand		
	Spain	Intra-EU	Imports
Purchases	59,797	2,213	120,470

2022	EUR thousand		
	Spain	Intra-EU	Imports
Purchases	53,578	1,494	61,132

17.3 Long-term employee benefit expenses

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

To cover the obligation, the Company took out a group life insurance policy, under which it maintains the risks subject to changes in actuarial assumptions and passes them on to the insurance company through the annual premium (see Note 18.3).

The detail of the plan obligations and plan assets at 31 December is as follows:

	EUR thousand	
	2023	2022
Accrued but not vested benefits	3,454	2,158
Fair value of plan assets	3,495	2,061

17.4 Losses on, impairment of and changes in trade provisions

The detail of the balances of this item is as follows:

	EUR thousand	
	2023	2022
Change in provisions and credit losses on trade receivables	(272)	(73)
Change in current provisions	40,110	28,580
Total losses on, impairment of and changes in trade provisions	**39,838**	**28,507**

The change in current provisions was the result of several items described in Note 13.1.

17.5 Third-party finance income and costs

The detail of the balances comprising this statement of profit or loss item is as follows:

	EUR thousand	
	2023	2022
Dividends	11	9
Total finance income from investments in equity instruments	**11**	**9**
Interest income on non-current and current loans	4,851	2,097
Other finance income	8,811	1,619
Total finance income from marketable securities and other financial instruments	**13,662**	**3,716**
Interest on bank borrowings	(8,189)	(3,830)
Other finance costs	(12,989)	(11,301)
Total finance costs on third-party loans and borrowings	**(21,178)**	**(15,131)**

Other finance income includes mainly interest from banks and income from late payment interest as explained in Note 4.10.

"Other finance costs" includes interest payments of EUR 3,476 thousand for the factoring of certain receivables related to the Company's 36% ownership interests in Mantenimiento Estaciones Línea 9, FCC Concesiones de Infraestructuras, S.L., Obrascón Huarte Laín, S.A., and Copisa Constructora Pirenaica, S.A. Unión Temporal de Empresas.

On 27 July 2023, the Company transferred entitlement to future revenue from the contract to operate and maintain Barcelona Metro line 9 to a third party. The cash amount received was EUR 28,838 thousand, recognised as deferred income at the present value of the future revenue.

The transaction was considered an unconditional sale of future revenue. In addition to the transfer of entitlement to future revenue, the Company no longer assumes any liability and there are no guarantees over collection rights deriving the provision of the service and subsequent collection.

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

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

Impairment and losses	EUR thousand	
	2023	2022
Impairment on equity instruments of group companies	-	(116,615)
Impairment on loans to group companies	-	(14,400)
Reversals of impairment on equity instruments of group companies	27,395	14,400
Reversals of impairment on loans to group companies	-	116,615
Other impairments, reversals and other gains or losses	-	13,730
Total impairment and losses	**27,395**	**13,730**

The reversal of impairment on equity instruments of group companies related to OHL Industrial, S.L. and Obrascón Huarte Lain, Construcción Internacional, S.L.U. (see Note 8).

Gains/(losses) on disposals and other	EUR thousand	
	2023	2022
Gains/(losses) on disposal of equity instruments of group companies and associates	(9,635)	(4,580)
Other losses	-	(472)
Total gains or losses on disposals and other	**(9,635)**	**(5,052)**

This item of the statement of profit or loss in 2023 included the loss of EUR 9,000 thousand arising from the agreement with Aleática (formerly OHL Concesiones, S.A.) and IFM over compensation related to the sale of OHL Concesiones, S.A. (see Note 13.3.2).

In 2022, it included the loss on the sale of the stake in OHL Infraestructure, Inc.

17.7 Foreign currency transactions and balances

The main foreign currency transactions carried in 2023 and 2022 by currency and the main operating income and expense items, translated to euros at the average exchange rates, are as follows:

2023	EUR thousand			
Currency	Revenue	Other operating income	Cost of sales	Other operating expenses
Norwegian krone	25,961	2,508	11,344	2,652
Algerian dinar	(8,382)	155	(665)	(735)
Kuwaiti dinar	12,547	47	15,027	315
Australian dollar	-	-	2	-
US dollar	30,135	19,670	30,535	21,308
Pound Sterling	644	128	(591)	(124)
Turkish lira	-	70	42	419
Argentine peso	-	-	1	27
Chilean peso	67,571	322	40,218	4,989
Colombian peso	16,563	2,292	5,549	2,791
Mexican peso	-	553	(7)	1,149
Uruguayan peso	-	-	-	47
Saudi Arabian riyal	-	5,580	-	5,631
Qatari riyal	-	11,472	3,429	3,895
Peruvian sol	227,119	1,984	107,222	39,162
Polish zloty	-	13	(64)	55
Other currencies	-	-	-	19
Total	**372,158**	**44,794**	**212,042**	**81,600**

2022	EUR thousand			
Currency	Revenue	Other operating income	Cost of sales	Other operating expenses
Norwegian krone	37,794	1,280	21,190	5,554
Algerian dinar	-	5	(130)	(167)
Kuwaiti dinar	-	105	(1,639)	381
Australian dollar	-	-	2	17
US dollar	22,564	112	30,183	7,373
Pound Sterling	(7,959)	40	2,398	2,291
Turkish lira	-	20	55	357
Argentine peso	-	-	1	38
Chilean peso	108,030	155	62,175	11,495
Colombian peso	30,688	2,467	12,716	4,317
Mexican peso	-	3,493	(6)	3,600
Uruguayan peso	-	-	-	50
Saudi Arabian riyal	-	-	-	20
Qatari riyal	-	-	(10)	7,740
Peruvian sol	220,401	2,653	122,474	31,683
Polish zloty	-	30	21	(178)
Other currencies	-	2	-	124
Total	**411,518**	**10,362**	**249,430**	**74,695**

Foreign currency balances at 31 December 2023 and 2022 by currency and the main liability items in the statement of financial position, translated to euros at the closing exchange rate, are as follows:

	EUR thousand					
	2023			2022		
Currency	Trade payables	Other non-current liabilities	Other current liabilities	Trade payables	Other non-current liabilities	Other current liabilities
Norwegian krone	12,095	-	62	24,460	-	1,513
Algerian dinar	3,210	-	320	5,012	-	1,784
Kuwaiti dinar	28,940	-	56	27,498	-	55
Australian dollar	987	-	3	683	-	3
US dollar	31,628	5,601	12,031	67,154	12,451	25,544
Vietnamese dong	1,311	-	43	1,417	-	138
Pound Sterling	1,506	-	-	4,197	-	-
Turkish lira	24	-	68	45	-	102
Argentine peso	4	-	4	80	-	60
Chilean peso	71,443	2,868	342,321	39,176	195	51,854
Colombian peso	19,764	-	3,889	13,814	-	3,480
Mexican peso	3,088	-	423	3,393	-	104,846
Uruguayan peso	1	-	35	8	-	35
Saudi Arabian riyal	-	-	-	-	-	4,926
Qatari riyal	41,832	13,984	7,903	46,651	-	-
Peruvian sol	164,256	-	29,870	156,392	-	8,685
Polish zloty	155	-	6	171	-	5
Other currencies	91	-	-	83	-	-
Total	**380,335**	**22,453**	**397,034**	**390,234**	**12,646**	**203,030**

Foreign currency receivables at 31 December 2023 and 2022 by currency and the main asset items in the statement of financial position, translated to euros at the closing exchange rate, are as follows:

	EUR thousand					
	2023			2022		
Currency	Non-current financial assets	Current financial assets	Trade and other receivables	Non-current financial assets	Current financial assets	Trade and other receivables
Norwegian krone	55	-	463	154	-	7,656
Algerian dinar	38	-	1,983	39	-	12,074
Kuwaiti dinar	23	4	4,737	25	4	5,088
Australian dollar	-	-	5,609	-	-	5,812
US dollar	176	-	18,618	182	-	25,797
Vietnamese dong	-	-	1,049	-	-	896
Pound Sterling	-	-	756	-	-	807
Turkish lira	149	17	151	72	28	184
Argentine peso	-	-	(765)	-	37	(672)
Chilean peso	4,385	-	77,875	4,705	-	36,480
Colombian peso	8,691	877	44,648	4,053	-	31,387
Mexican peso	-	-	1,830	-	-	1,807
Uruguayan peso	-	-	(716)	-	-	(735)
Saudi Arabian riyal	-	-	(4,476)	-	-	-
Qatari riyal	2,665	3	19,009	3,646	-	20,114
Peruvian sol	-	2,517	172,510	-	43	125,874
Polish zloty	-	-	296	-	-	276
Other currencies	12	-	14	11	-	-
Total	**16,194**	**3,418**	**343,591**	**12,887**	**112**	**272,845**

In the sensitivity analysis of foreign currency risk of financial instruments for the main currencies, a 10% increase in the foreign currency/euro exchange rate with respect to the rates applicable at 31 December 2023 and 2022 was simulated. The potential net impact on profit or loss is as follows:

	EUR thousand	
(Expense) / income	Profit/(loss)	
Currency	2023	2022
Norwegian krone	(873)	(1,362)
Algerian dinar	(113)	399
Kuwaiti dinar	(1,817)	(1,683)
US dollar	(2,285)	(5,938)
Chilean peso	(25,078)	(3,753)
Colombian peso	2,292	1,361
Mexican peso	(126)	(7,982)
Saudi Arabian riyal	(336)	(369)
Qatari riyal	(3,153)	(1,717)
Peruvian sol	(1,432)	(2,937)
Total	**(32,921)**	**(23,981)**

Had the sensitivity analysis included the simulation of a 10% decrease in the foreign currency/euro exchange rate with respect to the rates in force at 31 December 2023 and 2022, the net impact on profit or loss would be as follows:

	EUR thousand	
(Expense) / income	Profit/(loss)	
Currency	2023	2022
Norwegian krone	794	1,238
Algerian dinar	103	(363)
Kuwaiti dinar	1,652	1,530
US dollar	2,077	5,398
Chilean peso	22,798	3,412
Colombian peso	(2,084)	(1,237)
Mexican peso	115	7,257
Saudi Arabian riyal	305	336
Qatari riyal	2,867	1,561
Peruvian sol	1,302	2,670
Total	29,929	21,802

17.8 Backlog

The Company's backlog at 31 December 2023 stood at EUR 2,179,816 thousand (2022: EUR 1,684,196 thousand).

The breakdown by activity and geographical market is as follows:

	EUR thousand	
Business activity	2023	2022
Civil engineering work in Spain	**498,239**	**349,465**
Roads	155,941	116,120
Hydraulic works	130,005	73,700
Railways	189,373	131,953
Maritime	2,118	5,239
Other civil engineering work	20,802	22,453
Building construction in Spain	**410,828**	**346,275**
Residential	75,147	32,182
Other buildings	335,681	314,093
Total construction in Spain	**909,067**	**695,740**
Civil engineering work abroad	**779,997**	**659,321**
Roads	192,958	153,647
Hydraulic works	426,774	355,412
Railways	102,745	150,212
Other civil engineering work	57,520	50
Building construction abroad	**490,752**	**329,135**
Other buildings	490,752	329,135
Total construction abroad	**1,270,749**	**988,456**
Total backlog	**2,179,816**	**1,684,196**

	EUR thousand	
Geographical area	2023	2022
Spain:		
Spain	909,067	695,740
Total Spain	**909,067**	**695,740**
Abroad:		
Chile	578,304	367,194
Peru	487,225	394,625
ROW	205,220	226,637
Total abroad	**1,270,749**	**988,456**
Total backlog	**2,179,816**	**1,684,196**

Of the total backlog at 31 December 2023, EUR 1,639,198 thousand related to direct construction work and EUR 540,618 thousand to UTEs (2022: EUR 1,156,504 thousand and EUR 527,692 thousand, respectively).

Also at 31 December 2023, EUR 1,310,263 thousand related to public sector work and EUR 869,553 thousand to private sector works (2022: EUR 1,122,327 thousand and EUR 561,869 thousand, respectively).

18. RELATED PARTY TRANSACTIONS AND BALANCES

18.1 Transactions with group companies and associates

The detail of transactions with Group companies in 2023 and 2022 is as follows:

	EUR thousand	
	2023	2022
Revenue	17,971	4,857
Other operating income	81,927	22,892
Finance income	10,887	8,832
Dividends received	-	2,747
Sales of non-current assets	12	46
Cost of sales	2,814	2,116
Other operating expenses	14,279	6,867
Finance costs	75,036	73,775
Purchases of non-current assets	282	193
Purchases of financial assets	6,860	-

Dividends received by group companies:

	EUR thousand	
Company	2023	2022
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	-	2,747
Total	**-**	**2,747**

The detail of transactions with associates in 2023 and 2022 is as follows:

Item	EUR thousand	
	2023	2022
Revenue	881	687
Other operating income	157	1,209
Finance income	1,041	227
Dividends received	-	3,396
Sales of non-current assets	-	1
Other operating expenses	6	30

18.2 Related party transactions and balances

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

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

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

The detail of related party transactions in 2023 and 2022 is as follows:

	EUR thousand			
	2023	% of total	2022	% of total
Revenue and expenses				
Revenue	-	-	(504)	(0.07)
Other operating income	-	-	11	0.01
External services	54	0.03	657	0.44

Other transactions	EUR thousand	
	2023	2022
Repayment or cancellation of loans granted	-	17,026
Purchases of non-current assets	-	102
Guarantees provided	(570)	277

The breakdown of these related party transactions in 2023 is as follows:

Taxpayer or employer identification number of the related company	Name or company name of the related party	Item	EUR thousand
B83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	13
JSE110223ATO	Jetflight Services, S.A. de C.V.	Other operating expenses	39
B80209232	INSE RAIL, S.L.	Other operating expenses	2
B09925785	Espacio Promoción IV, S.L.	Guarantees provided	221
B83962225	Espacio Living Homes, S.L.U.	Guarantees provided	(591)

These transactions, under a contractual arrangement, were carried out at arm's length.

There were no related party balances as at 31 December 2023.

Nominal related party balances at 31 December 2022 were as follows:

	EUR thousand	
	2022	% of total
Assets:		
Trade receivables	972	0.31
Other receivables	14	0.06
Loans to third parties (*)	28,806	91.39
Liabilities:		
Trade payables	166	0.07

(*) see Note 9.2.

18.3 Remuneration of directors and key management personnel and conflicts of interest

The remuneration of members of the Board of Directors is governed by Article 24 of the Articles of Incorporation and by the Director Remuneration Policy in accordance with Article 529 *novodecies* of the Spanish Corporate Enterprises Act, as amended by shareholders at the General Meeting held on 30 June 2023 for 2023 and until 31 December 2025. The policy establishes maximum annual remuneration for external directors for the discharge of their duties as directors of two million five hundred thousand euros **(EUR 2,500,000)**, apportioned on the basis adopted by the Board itself, as set out in the Policy. There are no variable remuneration components for external directors.

In 2023, taking this into account and the current composition of the Board and Board committees, the annual remuneration of external directors for discharging their general duties as directors amounted to **EUR 1,265 thousand**. In 2023, as in prior years, there was no kind of pension scheme for external directors. This fixed remuneration for their directorships is compatible with and independent from any remuneration, indemnities, pension benefits or compensation received by directors for employment by or other services to the Company.

On the same date, the Board of Directors, in accordance with article 541 of the Corporate Enterprises Act, has authorised for issue the Annual Report on Director Remuneration, with an itemised breakdown of all components accrued in 2023 by each director. Following is an itemised detail of the remuneration earned by each director in their capacity as such in 2023, excluding the remuneration accrued for executive duties, which is disclosed later:

Director	Attendance fees (EUR thousand)
Luis Fernando Martín Amodio Herrera *(external proprietary)* (*)	65
Julio Mauricio Martín Amodio Herrera *(external proprietary)* (*)	70
Luis Fernando Amodio Giombini *(external proprietary)*	140
Juan Villar-Mir de Fuentes (*external proprietary)* (*)	65
Carmen de Andrés Conde *(external independent)*	160
César Cañedo-Argüelles Torrejón *(external independent)*	140
Francisco García Martín *(external independent)*	240
Juan Antonio Santamera Sánchez *(external independent)*	130
Reyes Calderón Cuadrado *(external independent)*	190
Ximena María Caraza Campos (*external independent)* (**)	65
Total	**1,265**

(*) Attendance fees accrued to 30 June 2023
(**) Attendance fees accrued from 30 June 2023

Additionally, the components earned by external directors include travel expenses incurred by those who are not resident in Madrid for the discharge of their duties on the Board of Directors, which in 2023 amounted to **EUR 19 thousand** (2022: EUR 48 thousand).

In 2023, executive directors accrued total remuneration for their executive duties of **EUR 1,739 thousand** (2022: EUR 2,103 thousand). In 2023, they were paid **EUR 47 thousand** for other items (2022: EUR 21 thousand). No contributions were made to the pension scheme in either 2023 or 2022. On 30 June 2023, Jose Antonio Fernández Gallar, the Chief Executive Officer at the time, stepped down. The Board of Directors agreed to terminate his contract and trigger the non-competition clause against payment of indemnity in 12 monthly instalments, with the receipt in 2023 of **EUR 1,400 thousand**.

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

The members of the Board of Directors and key management personnel are insured by a third-party liability insurance policy, which cost EUR 253 thousand in 2023.

Remuneration of key management personnel

Remuneration accrued by the Company's key management personnel in 2023, excluding those who are also members of the Board of Directors (see above), amounted to **EUR 8,722 thousand** (2022: EUR 9,030 thousand), of which **EUR 4,228 thousand** was variable remuneration (2022: EUR 3,081 thousand).

In addition, in 2021 a remuneration scheme was set up for certain managers. Contributions to this scheme in 2023 amounted to **EUR 1,296 thousand** (2022: EUR 1,295 thousand) (see Note 17.3).

Conflicts of interest

At 31 December 2023, 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 Company in 2023.

19. ENVIRONMENTAL DISCLOSURES

In 2023, the Company incurred expenses from environmental activities amounting to EUR 501 thousand (2022: EUR 565 thousand). At 31 December 2023 and 2022, the Company did not have any environmental assets on its statement of financial position.

20. OTHER DISCLOSURES

20.1 Employees

The average number of employees in 2023 and 2022 by employee category is as follows:

	Average number of employees	
Employee category	2023	2022
Senior management	7	7
Managers	39	37
Middle managers	300	298
Other line personnel	1,836	1,406
Clerical staff	343	234
Manual workers	3,131	2,172
Total	**5,656**	**4,154**
Permanent employees	1,469	1,455
Temporary employees	4,187	2,699
Total	**5,656**	**4,154**

The average number of employees corresponding to UTEs in 2022 was 1,567 (2022: 1,671).

The average number of employees with a disability of a severity equal to or greater than 33% in 2023 and 2022 by category is as follows:

Employee category	2023	2022
Middle managers	2	4
Other line personnel	5	7
Clerical staff	10	12
Manual workers	1	3
Total	**18**	**26**

The average number of employees at UTEs with a disability of a severity equal to or greater than 33% in 2023 was one (2022: 7).

The number of employees at year-end 2023 and 2022 by gender and professional category and gender is as follows:

	Number of employees at year-end					
	31/12/2023			31/12/2022		
Employee category	Men	Women	Total	Men	Women	Total
Senior management	8	-	8	7	-	7
Managers	37	4	41	36	3	39
Middle managers	280	38	318	270	36	306
Other line personnel	1,463	503	1,966	1,110	366	1,476
Clerical staff	225	171	396	140	135	275
Manual workers	3,090	155	3,245	2,377	185	2,562
Total	**5,103**	**871**	**5,974**	**3,940**	**725**	**4,665**

The number of employees with temporary contracts at UTEs at 31 December 2023 was 1,506 (2022: 1,671).

The Board of Directors is composed of six men and three women.

20.2 Audit fees

Fees for audit or other services provided by the Company's principal auditor, Ernst & Young, S.L., or by other companies related to it or other auditors, were as follows:

	EUR thousand					
	Principal auditor		Other auditors		Total	
	2023	2022	2023	2022	2023	2022
Audit of financial statements	529	453	46	41	575	494
Other assurance services	186	182	50	50	236	232
Total audit and related services	**715**	**635**	**96**	**91**	**811**	**726**
Tax advisory services	14	16	3	24	17	40
Other services	20	28	17	11	37	39
Total professional services	**34**	**44**	**20**	**35**	**54**	**79**
Total	**749**	**679**	**116**	**126**	**865**	**805**

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

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

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

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

20.3 Statement of cash flows

The Company's statement of cash flows was prepared as explained in Note 4.18. The key highlights for each of the main sections are as follows:

Operating activities

Net cash flows from operating activities in 2023 amounted to EUR 32,804 thousand, and featured:

“Profit/(loss) before tax” for 2023 was a loss of EUR 29,920 thousand.

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

	EUR thousand	
	2023	2022
Change in provisions	(42,447)	(31,058)
Net finance income/(expense)	51,861	81,093
Impairment and gains/(losses) on disposal of non-current assets	(45)	(1,724)
Government grants	-	(206)
Total	**9,369**	**48,105**

Investing activities

Net cash flows used in investing activities in 2023 amounted to EUR 809 thousand.

Payments for investments amounted to EUR 34,245 thousand and related to investments in property, plant and equipment and investments in group companies, mainly Sociedad Concesionaria Hospitales Red Biobio, S.A. and Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.

Proceeds from disposals amounted to EUR 33,436 thousand and related primarily to the transfer of entitlement to future revenue from the Barcelona metro line 9 operation and maintenance contract (see Note 17.5).

Financing activities

Net cash flows from financing activities in 2023 amounted to EUR 10,654 thousand arising mainly from the partial repayment, of EUR 31,991 thousand, of the loan with OHL Operaciones, S.A.U. for the early redemption of the notes by that company.

The balance of cash and cash equivalents at year-end stood at EUR 133,914 thousand, related mainly to bank balances.

21. EVENTS AFTER THE REPORTING PERIOD

No significant event occurred after the end of the reporting period.

22. ADDITIONAL NOTE FOR ENGLISH TRASLATION

These financial statements are presented on the basis of accounting principles generally accepted in Spain. Consequently, certain accounting practices applied by the Company may not conform to generally accepted principles in other countries.

APPENDIX I

UTEs

EUR thousand

Name of UTE	% interest	Revenue of UTE in 2023	Order intake of UTE
ALGECIRAS PORT SOUTH ACCESS	50,00	5.827	34.655
ACOMETIDAS	20,00	316	391
ACONDICIONAMIENTO ESCANER Y MEGAPORT	50,00	285	3.675
ANGIOZAR	40,00	26.472	128.713
ASCENSORES ESTACIONES VALLÈS	65,00	-	4.595
AVE NAVALMORAL	75,00	11.028	58.428
BLOQUE AEROPUERTO BILBAO	50,00	137	14.426
COLECTOR LA RAZA II	70,00	4.143	8.739
CONSERVACION A-1 MADRID	20,00	102	63.255
CONSORCIO HOSPITALARIO OHL-HV	50,00	61.121	170.000
CONSORCIO LÍNEA PANAMA NORTE	51,00	58.808	180.618
CONSORCIO METROPOLITANO NORTE	99,00	6.527	92.929
CONSORCIO MUNA	25,00	143	83.678
CONSORCIO PRIMAVERA	50,00	202	1.011
CONSORCIO PTAR ATARJEA	34,00	-	169.182
CONSORCIO SABANA NORTE	50,00	16.415	327.846
CONSORCIO SANEAM. HUARMEY	48,60	19.369	51.440
CONTRA INCENDIOS DARSENA N	35,00	1.558	2.351
CONVENTO DE SAN ANDRÉS	60,00	148	3.543
CR CIVAN	70,00	1.683	17.866
CUBIERTA PASAIA	50,00	2.498	2.530
DEMANIALES RETIRO 2 INST DEP LOTE 2	20,00	114	1.504
DEMANIALES SAN BLAS-CANILLEJAS EDIF.L-3	50,00	347	3.025
DEMANIALES SAN BLAS-CANILLEJAS I.D. L-2	50,00	180	2.306
EDIF.FASE I HOSP.JOAN XXIII	55,00	3.646	5.775
ERTZAINTZA GETXO	25,00	213	8.609
ESTACIÓN IRÚN	50,00	343	53.956
ESTACIONES LINEA 9 BARCELONA	17,00	9.127	215.443
ESTRUCTURAS MADRID 1	50,00	1.836	17.822
GUÍA-PAGADOR	87,50	318	75.934
HOSPITAL DE CUENCA	50,00	16.788	119.125
HOSPITAL DE VILADECANS	33,34	8.728	22.138
IFA	55,50	-	19.007
IFEVI	50,00	34	7.526
LA RINCONADA	70,00	9.036	20.107
MANTEN.INFRAESTR.VIALS BCN	33,34	146	8.026
MARMARAY. TURKEY	70,00	25.775	1.175.714
MEL9	36,00	17.345	245.398
MONTE BOADILLA - TRAMO 5º	70,00	-	9.534
MULTIFUNCIONAL PUERTO ALGECIRAS	50,00	-	22.537
OBRIM CARRERS	33,34	1.346	2.872
OHL-PECSA MUSEO SOROLLA	60,00	739	5.526
PARKING VIP NATURA	20,00	-	576
PARQUE TECNOLOGICO BURGOS	60,00	1.699	19.798
PINOS PUENTE-ATARFE	85,00	340	96.280
PLAZA SALAMERO	65,00	2.944	4.201
PRESA CHARCO REDONDO	70,00	2.435	2.840
PRESA CONDE DE GUADALHORCE	70,00	483	1.152
PRESA CUEVAS DEL ALMANZORA	70,00	1.563	5.249
PRESA DE GUADALCACIN II	70,00	1.079	1.316
PRESA DE VIÑUELA II	70,00	1.241	1.529
PUERTO CALDERETA	60,00	17.740	93.896
RECUPERACIÓN CALAS MONTROIG	50,00	2.011	8.406
RED FERROVIARIA DÁRSENA SUR	35,00	5.084	5.644
REMODELACIÓN 4 ESTACIONES VALLÉS	65,00	7.803	11.990
RENOVACIÓN LOTE 4	50,00	11.042	45.932
REORD. ACCESO S PTO ALGECIR	50,00	2.114	4.456
RUBIAN	70,00	2.212	5.897
SAIH	70,00	1.341	2.467
SIFÓN DE CARDIEL	65,00	3.388	36.864
SUPERFICIES ACRISTALADAS T2	50,00	-	1.075
TRASLADO DE OFICINAS	20,00	1.784	1.790
UCI HOSPITAL JOAN XXIII	55,00	583	527
VALLEHERMOSO	65,00	2.139	11.299
ZONA COMERCIAL BARAJAS	50,00	359	1.046
TOTAL		**382.227**	**3.825.985**

APPENDIX II

Equity of Group companies

	EUR thousand											
COMPANY	**Capital**	**Uncalled capital**	**Reserves**	**2023 profit/(loss)**	**Interim dividend**	**Total capital and reserves**	**Valuation adjustments**	**Government grants**	**Total equity**	**Profit participating loan**	**Total equity + profit participating loan**	**Dividends paid**
9095063 Canada Inc.	-	-	-	-	-	-	-	-	-	-	-	-
Consorcio Aura - OHL, S.A.	154	(154)	-	-	-	-	-	-	-	-	-	-
Constructora e Inmobiliaria Huarte Ltda.	534	-	(1.027)	(532)	-	(1.025)	-	-	(1.025)	-	(1.025)	-
Empresa Constructora Huarte San José, Ltda.	18	(17)	170	(2)	-	169	-	-	169	-	169	-
Entorno 2000, S.A.	1.131	-	(1.272)	-	-	(141)	-	-	(141)	-	(141)	-
Mongas, S.A.	-	-	-	-	-	-	-	-	-	-	-	-
OHL Andina, S.A.	2.390	-	38.957	3.089	-	44.436	-	-	44.436	-	44.436	-
OHL Brasil, S.A.	241	-	(175)	-	-	66	-	-	66	-	66	-
OHL Construction Pacific PTY LTD	-	-	(8.151)	4.227	-	(3.924)	-	-	(3.924)	-	(3.924)	-
OHL Holding, S.à.r.l.	12	-	681.362	(57.894)	-	623.480	-	-	623.480	-	623.480	-
OHL Industrial Chile, S.A.	36.195	-	(28.875)	1.117	-	8.437	-	-	8.437	-	8.437	-
OHL Infraestructuras S.A.S.	66	-	(578)	537	-	25	-	-	25	-	25	-
OHL Infraestructure Canada Inc.	-	-	-	-	-	-	-	-	-	-	-	-
OHL Uruguay, S.A.	-	-	(1.437)	(322)	-	(1.759)	-	-	(1.759)	-	(1.759)	-
Sociedad Concesionaria Hospitales Red Biobio, S.A.	35.945	-	(142)	847	-	36.650	-	-	36.650	-	36.650	-
Sociedad Concesionaria Instituto Nacional del cancer, S.A.	21.567	(13.454)	-	(45)	-	8.068	-	-	8.068	-	8.068	-
Vacua, S.A.	11.779	-	(11.297)	(1)	-	481	-	-	481	-	481	-

APPENDIX III

Investments in Group companies

EUR thousand

COMPANY	% ownership interest: Direct	Indirect	Total	Cost at 31/12/2022	Additions	Disposals	Transfers	Cost at 31/12/2023	Impairment at 31/12/2023	Net cost at 31/12/2023
9095063 Canada Inc.	100,00	-	100,00	-	-	-	-	-	-	-
Avalora Tecnologías de la Información, S.A.	-	100,00	100,00	-	6.860	(6.860)	-	-	-	-
Consorcio Aura OHL, S.A.	65,00	-	65,00	107	-	(7)	-	100	-	100
Constructora e Inmobiliaria Huarte Ltda.	89,90	10,10	100,00	850	-	-	-	850	-	850
Empresa Constructora Huarte San José, Ltda.	95,00	5,00	100,00	17	-	-	-	17	-	17
Entorno 2000, S.A.	100,00	-	100,00	853	-	-	-	853	(853)	-
Mongas, S.A.	100,00	-	100,00	2.583	-	-	-	2.583	(2.583)	-
Obrascón Huarte Lain, Construcción Internacional, S.L.U.	-	100,00	100,00	1.346.998	-	(1.346.998)	-	-	-	-
OHL Andina, S.A.	99,00	1,00	100,00	3.246	-	-	-	3.246	-	3.246
OHL Arabia LLC	-	100,00	100,00	100	-	(100)	-	-	-	-
OHL Brasil, S.A.	1,00	99,00	100,00	4	-	-	-	4	(3)	1
OHL Construction Pacific PTY LTD	100,00	-	100,00	-	-	-	-	-	-	-
OHL Holding, S.à.r.l.	100,00	-	100,00	534.766	758.312	(719.286)	-	573.792	-	573.792
OHL Industrial Chile, S.A.	0,01	99,99	100,00	1	-	-	-	1	-	1
OHL Industrial, S.L.U.	-	100,00	100,00	416.201	-	(416.201)	-	-	-	-
OHL Infraestructuras S.A.S.	1,00	99,00	100,00	2	-	-	-	2	-	2
OHL Infraestructure Canada Inc.	100,00	-	100,00	-	-	-	-	-	-	-
OHL Uruguay, S.A.	100,00	-	100,00	130	-	-	-	130	(130)	-
Pacadar, S.A.U.	-	100,00	100,00	53.769	-	(53.769)	-	-	-	-
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	-	100,00	100,00	9.147	5.230	(14.377)	-	-	-	-
Sociedad Concesionaria Hospitales Red Biobio, S.A.	51,00	49,00	100,00	19.671	-	(1.339)	-	18.332	-	18.332
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	51,00	49,00	100,00	-	12.081	(1.082)	-	10.999	-	10.999
Tenedora de Participaciones Tecnológicas, S.A.U.	-	-	-	526	-	(526)	-	-	-	-
Vacua, S.A.	100,00	-	100,00	599	5	-	-	604	-	604
Total				**2.389.570**	**782.488**	**(2.560.545)**	**-**	**611.513**	**(3.569)**	**607.944**

APPENDIX IV
Investments in associates

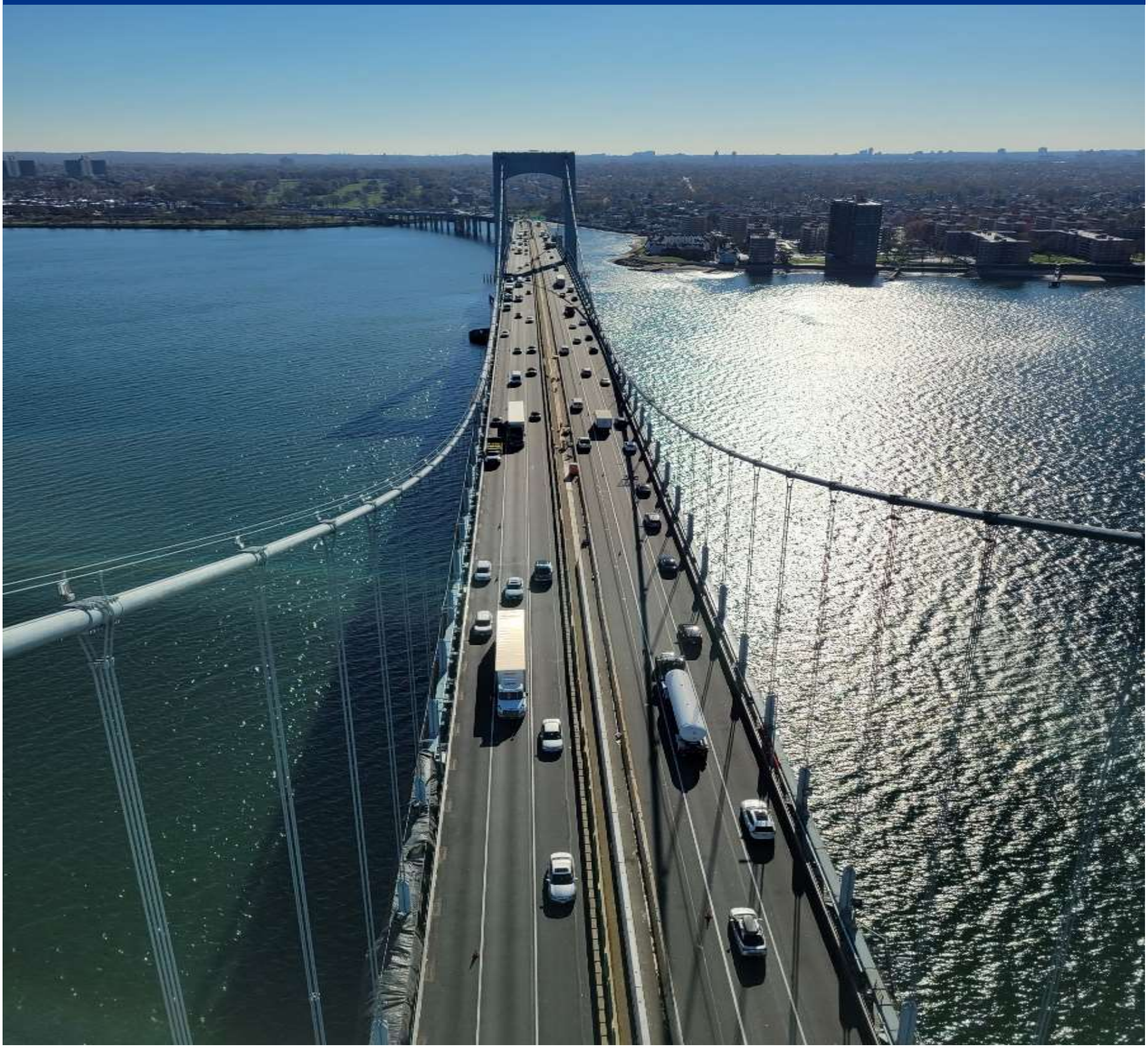
EUR thousand

COMPANY	% ownership interest: Direct	% ownership interest: Indirect	% ownership interest: Total	Cost at 31/12/2022	Additions	Disposals	Transfers	Cost at 31/12/2023	Impairment at 31/12/2023	Net cost at 31/12/2023
Consorcio Español Alta Velocidad Meca Medina, S.A.	6,29	-	6,29	4	-	-	-	4	-	4
Consorcio Ruta 1, S.A.	10,00	-	10,00	161	-	-	-	161	(150)	11
Concesionaria Ruta Bogotá Norte S.A.S.	25,00	-	25,00	1	120	-	-	121	-	121
Constructora Vespucio Oriente, S.A.	-	50,00	50,00	6	1.140	(1.146)	-	-	-	-
E.M.V. Alcalá de Henares, S.A.	34,00	-	34,00	409	-	-	-	409	(409)	-
Nuevo Hospital de Burgos, S.A.	-	20,75	20,75	11.420	-	(11.420)	-	-	-	-
NYESA Valores Corporación, S.A.	0,60	-	0,60	-	-	-	-	-	-	-
OHL Townlink JV Limited	50,00	-	50,00	-	-	-	-	-	-	-
Parking Niño Jesús-Retiro, S.A.	30,00	-	30,00	1.095	-	-	-	1.095	-	1.095
H.Sacifyc, S.A.	49,00	-	49,00	-	-	-	-	-	-	-
Sociedad Mixta de Gestión y Promoción del Suelo, S.A.	1,20	-	1,20	9	-	-	-	9	-	9
Total				**13.105**	**1.260**	**(12.566)**	**-**	**1.799**	**(559)**	**1.240**

APPENDIX V

Identification of companies included in investments in Group companies

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Construction		
Consorcio Aura OHL, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
Constructora e Inmobiliaria Huarte, Ltda.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
Empresa Constructora Huarte San José, Ltda.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
OHL Andina, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
OHL Brasil, S.A.	Rua Tabapuã, 1.123 - 16º Andar, Sao Paulo. Brazil	Construction
OHL Construction Pacific PTY LTD	Level 3, 349 Coronation Drive. Milton (Qld) 4064. Australia	Construction
OHL Infraestructuras S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower Bogotá, Colombia	Construction
OHL Uruguay, S.A.	C/ Rio Negro, 1354, piso 3, 11105 Montevideo, Uruguay	Construction
Vacua, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile. Chile	Construction
Industrial		
OHL Industrial Chile, S.A.	C/ Rosario Norte 407, Oficina 1203. Santiago de Chile. Chile	Engineering works, technical advisory services, water treatment and
Other		
9095063 Canada Inc.	C/ Villa Marie, 37 Th Floor, H3B 3P4 Montreal, Canada	Financial studies
Entorno 2000, S.A.	Pº de la Castellana nº 259 D (28046 Madrid)	Other
Mongas, S.A.	Rb de Cataluña, 20 (Barcelona)	Other
OHL Holding, S.à.r.l.	14 Rue Edward Steichen. L-2540 Luxembourg	Holding company
OHL Infraestructure Canada Inc.	C/ 100 King Street West Suite 1600, M5X 1G5 Toronto. Canada	Financial studies
Sociedad Concesionaria Hospitales Red Biobio, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Concession, construction and operation
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Concession, construction and operation



OBRASCÓN HUARTE LAIN, S.A.

2023 Separate Management Report

Contents

OBRASCÓN HUARTE LAIN, S.A.

SEPARATE MANAGEMENT REPORT
2023

1.- ECONOMIC OVERVIEW

2023 was a year marked by inflation and the restrictive monetary policies applied by central banks, which opted to hike their key interest rates after over a decade of 'easy' money. One of the most drastic steps taken to curb inflation was the decision to curtail the lax fiscal policy prevailing until and in 2023, several central banks (including the Federal Reserve and the European Central Bank) began tightening their benchmark rates, to 5.25% in the US (the Fed) and 4.5% in Europe (the ECB).

Some of the main highlights of 2023 were: the ongoing war in Ukraine and its effects on energy price inflation, the development of artificial intelligence (AI), and last, but not least, the failure of several regional banks in the United States (Silicon Valley Bank, Signature Bank, First Republic Bank) following a massive withdrawal, not to mention Credit Suisse's rescue and subsequent sale to UBS in Europe.

The International Monetary Fund, in its latest outlook update (“World Economic Outlook” or “WEO” of October 2023), said its forecasts for 2023 project global growth at around 3.0%. It projects growth of around 2.1% in the United States, around 0.7% in the euro area and, lastly, around 4.0% in emerging economies.

The Spanish economy looks set to show GDP growth of 2.0% for 2023 (according to the Spanish national statistics institute —INE— in its preliminary 4Q 2023 report). This would mark a slowdown from previous years, but also shows that Spain’s economy is relatively stronger and one of the fastest growing in the euro area.

2.- OUTLOOK

Global economic trends in 2024 will be shaped by how fast central banks cut interest rates, and inflation eases and comes under control. Moreover, economic performance will be affected by how the Red Sea conflict unfolds. It could cause delays, if not disruptions, in supply chains.

The World Bank has revised its 2024 growth forecasts. It now expects world GDP to slow, forecasting a contraction of 0.2% in 2024, before recovering gradually in 2025. Meanwhile, average forecasts of international agencies and financial institutions compiled by Bloomberg for 2024 estimate that the US will see GDP growth of around 1.4%, that Europe will fall into recession and that Latin America will grow slightly, by 1.5%.

All this indicates that the next two years will feature economic ‘adjustment’, with recession on the horizon for some economies. Faced with this situation, OHLA Group boasts a robust structure, a strategy that has been in place since 2018 and a strong and diversified geographical mix that will enable it to deal with the uncertainties, as it showed it can do during the turbulent years we have just experienced.

3.- NEAR-TERM OUTLOOK

OHLA Group continues to deliver the targets of the business plan it embarked on in 2018. By the end of 2023, it had achieved: the Company's return to profit, positive cash generation by the business and a reduction in the Company's risk profile. Moreover, all the key operational targets disclosed to the market were met: revenue of over EUR 3,400 million, EBITDA of over EUR 125 million, a construction EBITDA margin of 5.1%, greater efficiency in overhead and a sharp reduction in seasonal cash consumption.

OHLA Group ended 2023 as one of the world's 50 largest construction companies, ranking 13th among the 20 largest contractors by sector (Transport) and 17th among the 50 largest domestic heavy contractors in the United States (ENR ranking). It ended the year with a total backlog of over EUR 7,700 million, with growth partly due to the good performance of short-term order intake during the year, with projects (new contract wins and extensions) totalling over EUR 4,000 million. This enabled it to replace the projects that entered into production during the year, with a book-to-bill ratio through December of 1.3x, growing the backlog and shoring up OHLA's future business (i.e. the short-term backlog at end-December represented 25.8 months of sales).

Looking ahead of 2024, the year will be shaped by how fast inflation eases and when central banks begin to cut interest rates. Worth noting is that both the Fed and the ECB ended 2023 with a clear message that interest rates may have peaked, while also reiterating their 2% inflation targets. Therefore, we expect the economy to slow as financing conditions affect demand. Growth in 2024 looks set to slow in developed economies (-0.6% vs. 2023) before starting to regain momentum in 2025 (+0.6% vs. 2024); however, in emerging economies, growth will be driven by certain countries, e.g. India.

OHLA Group's growth is underpinned by: good governance, transparency and sustainability. Sustainability here is understood as efforts to achieve : economic, social and environmental sustainability, helping to improve social welfare in all geographies where have operations and contributing to their progress. OHLA Group takes an active part in initiatives designed to flight climate change and has also implemented approaches to enhance energy efficiency, the circular economy and gear efforts clearly towards innovation. All the while, it will continue to keep a close eye on internal control and performance by committees in reviewing the backlog and complying strictly with best practices in transparency, communication and compliance.

Historically, the infrastructure and construction sectors have been two key drivers of world GDP growth and during down markets that have proven to be two key sectors supporting economic recovery. Faced with economic ‘adjustment’ in 2024, OHLA Group boasts: a robust structure, a strategy put in place 2018 that has proven to be well aimed, and a strong and diversified geographical mix. This should enable it to deal with the uncertainties and risks as they arise, just like it showed it could do during the turbulent years of the past (e.g. supply chain bottlenecks, inflation, dire consequences of the war in Ukraine, volatility).

4.- COMPANY PERFORMANCE

Revenue in 2023 totalled EUR 749,941 thousand, of which 74% related to direct construction work and the remaining 26% to work executed by temporary business associations or joint ventures (UTEs).

The breakdown by type of activity was as follows:

	EUR thousand				
Business activity	2023	%	2022	%	% change
Construction in Spain	358,841	47.8	305,710	41.4	17.4
Construction abroad	391,100	52.2	432,683	58.6	(9.6)
Total revenue	**749,941**	**100.0**	**738,393**	**100.0**	**1.56**

Revenue in 2023 from the public sector accounted for 66.4% of the total, with the remaining 33.6% from the private sector.

Operating profit for the year was EUR 21,941 thousand.

Loss after tax amounted to EUR 47,047 thousand.

Share capital at year-end stood at EUR 147,781 thousand, represented by 591,124,583 fully subscribed and paid bearer shares of EUR 0.25 par value each.

Equity at year-end amounted to EUR 595,099 thousand.

The short-term **backlog** at 31 December 2023 stood at EUR 2,179,816 thousand, equivalent to 34.8 months of activity. International projects accounted for a large share of the backlog, at 58.3% of the total.

The breakdown by type of activity is as follows:

	EUR thousand				
Business activity	2023	%	2022	%	% change
Construction in Spain	909,067	41.7	695,740	41.3	30.7
Construction abroad	1,270,749	58.3	988,456	58.7	28.6
Total backlog	**2,179,816**	**100.0**	**1,684,196**	**100.0**	**29.4**

Of the backlog, 75.2% was direct construction work and 24.8% was work to be executed by UTEs.

The Company had an average of 5,656 employees in 2023, with a 26%/74% split between permanent and temporary employees.

Disclosures on the average payment period, ratios of transactions paid and transactions outstanding as a 31 December 2023 and 2022 and the monetary value of invoices paid within the legally stipulated deadline and the percentages these represent of total invoices and the monetary value of payments to suppliers as at 31 December 2023 and 2022:

	Days	
Concept	2023	2022
Average supplier payment period	68	72
Ratio of transactions paid	70	75
Ratio of transactions outstanding	59	60

	EUR thousand	
Concept	2023	2022
Total payments made	358,049	278,287
Total payments outstanding	76,619	49,764

Invoices paid within the legally stipulated deadline:	2023	2022
Monetary value (EUR thousand)	122,186	64,501
Number of invoices	19,136	17,320
Monetary value/total	34 %	23 %
Number of invoices/total	40 %	40 %

The Company is taking measures to comply with the ratio of outstanding transactions, which exceeds the statutory limit, but not significantly.

In addition to the above regarding its performance, the Company, as head of OHLA Group, prepares the disclosures required by Royal Decree-Law 18/2017, of 24 November, relating to non-financial and diversity information. It includes the non-financial statement in the consolidated management report, published together with OHLA Group's consolidated financial statements, which were authorised for issue by the Board of Directors on the same date and submitted for approval by shareholders at the Annual General Meeting.

5.- TREASURY SHARES

At year-end 2023, the Company held 700,695 treasury shares worth EUR 322 thousand.

The changes in treasury shares in 2023 and 2022 were as follows:

	No. of shares	EUR thousand
Balance at 31 December 2021	**541,296**	**504**
Purchases	24,289,551	17,215
Revenue	(24,091,990)	(17,378)
Balance at 31 December 2022	**738,857**	**341**
Purchases	38,438,314	18,737
Revenue	(38,476,476)	(18,756)
Balance at 31 December 2023	**700,695**	**322**

6.- DEVELOPMENT

The Company did not undertake any investments in development projects or incur any development expenditure in 2023. In the statement of financial position as at 31 December 2023, the Company had capitalised EUR 18,457 thousand of development expenditure related to 34 research and development projects included in "Intangible assets - Development", the full amount of which was amortised.

7.- MAIN RISKS AND UNCERTAINTIES

OHL has a risk control and management policy approved by the Board of Directors aimed at implementing a reliable risk management system, maintaining this system and using it as a management tool in all decision-making.

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

- ii) Financial risk
- iii) Project risk
- iv) Geopolitical and market risks
- v) Other risks

Note 9.8 to the accompanying separate financial statements provides a detailed explanation of these risks.

8.- EVENTS AFTER THE REPORTING PERIOD

No significant event occurred after the end of the reporting period.

9.- NON-FINANCIAL AND DIVERSITY INFORMATION

Regarding compliance by the Company with Law 11/2018 on non-financial and diversity information, published in Spain's Official State Gazette (BOE) on 29 December 2018, this information is included in the consolidated non-financial statement, which is an integral part of the consolidated management report included in OHLA Group's consolidated financial statements.

The consolidated financial statements and consolidated management report, including the consolidated non-financial statement, will be duly authorised for issue and filed, together with the related auditor's report, in the Madrid Mercantile Register.

ANNUAL CORPORATE GOVERNANCE REPORT OF LISTED PUBLIC LIMITED COMPANIES

ANNUAL CORPORATE GOVERNANCE REPORT OF
LISTED PUBLIC LIMITED COMPANIES

ISSUER IDENTIFICATION DETAILS

Year end-date: 31/12/2023

TAX ID (CIF): A-48010573

Company name:

OBRASCON HUARTE LAIN, S.A.

Registered office:

PASEO DE LA CASTELLANA, 259 D, TORRE ESPACIO MADRID

A. OWNERSHIP STRUCTURE

A.1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:
[ ] Yes
[√] No

Date of last modification	Share capital (EUR)	Number of shares	Number of voting rights
26/03/2021	147,781,145.75	591,124,583	591,124,583

Indicate whether there are different classes of shares with different associated rights:
[ ] Yes
[√] No

A.2 List the company’s significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% of voting rights attributed to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
LUIS FERNANDO MARTIN AMODIO HERRERA	0.00	12.98	0.00	0.00	12.98
JULIO MAURICIO MARTIN AMODIO HERRERA	0.00	12.98	0.00	0.00	12.98
SIMON DAVIES	0.00	0.00	9.90	0.00	9.90
SAND GROVE OPPORTUNITIES MASTER FUND LTD	0.00	0.00	7.95	0.00	7.95

The interest held by Simon Davies, beneficial owner, is through Sand Grove Capital Management LLP, Sand Grove Opportunities Master Fund Ltd, Sand Grove Tactical Fund LP and Investment Opportunities SPC "for the account of Investment Opportunities 2 Segregated Portfolio" legal person owners of the ordinary shares. Simon Davies has a majority shareholding in Sand Grove (Cayman) LP, owner of Sand Grove Capital Intermediate Ltd., which in turn is the owner of Sand Grove Capital Management LLP.

Breakdown of the indirect holding:

Name or company name of indirect owner	Name or company name of the direct owner	% of voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights
LUIS FERNANDO MARTIN AMODIO HERRERA	FORJAR CAPITAL, S.L.U.	12.98	0.00	12.98
JULIO MAURICIO MARTIN AMODIO HERRERA	SOLID ROCK CAPITAL, S.L.U.	12.98	0.00	12.98

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

According to the information published on the Spanish National Securities Market Commission (CNMV) website:

SIMON DAVIES:
07/03/2023: Ownership interest decreased to below the 15% threshold.
19/12/2023: Ownership interest decreased to below the 10% threshold.

SAND GROVE OPPORTUNITIES MASTER FUND LTD:
16/08/2023: Ownership interest decreased to below the 10% threshold.

INMOBILIARIA ESPACIO, S.A.:
02/03/2023: Ownership interest decreased to below the 3% threshold.

TYRUS CAPITAL EVENT, S.à.r.l.:
02/03/2023: Ownership interest exceeded the 5% threshold.
25/04/2023: Ownership interest decreased to below the 5% threshold.
01/09/2023: Ownership interest decreased to below the 3% threshold.

THE GOLDMAN SACHS GROUP, INC:
19/12/2023: Ownership interest decreased to below the 3% threshold.

A.3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
No data							
Total percentage of voting rights held by the Board of Directors							0.00

José Antonio Fernández Gallar, director of the Company until 30 June 2023 (date of his resignation), holds 3,860 shares representing 0.0010% of the share capital.

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote
No data					

List the total percentage of voting rights represented on the board:

Total percentage of voting rights represented on the Board of Directors	0.00

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description
FORJAR CAPITAL, S.L.U., LUIS FERNANDO MARTIN AMODIO HERRERA	Family member	Luis Fernando Martin Amodio Herrera has a 96% ownership interest in the share capital of Somares Invest, S.L. which, in turn, holds all the shares into which the share capital of Forjar Capital, S.L.U. is divided. Forjar Capital, S.L.U. and Solid Rock Capital, S.L.U. are owned by the Amodio family, as disclosed in the Inside Information notice of 21 May 2020.
SOLID ROCK CAPITAL, S.L.U., JULIO MAURICIO MARTIN AMODIO HERRERA	Family member	Julio Mauricio Martín Amodio Herrera has a 97% ownership interest in Menes Invest, S.L , which, in turn, holds all the shares into which the share capital of Solid Rock Capital, S.L.U. is divided. Solid Rock Capital, S.L.U. and Forjar Capital, S.L.U. are owned by the Amodio family, as disclosed in the Inside Information notice of 21 May 2020.

A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
FORJAR CAPITAL, S.L.U.	Commercial	In 2022, the Board of Directors, based on a favourable report by the Audit and Compliance Committee and the abstention in both cases of the proprietary directors appointed by FORJAR CAPITAL, S.L.U. and SOLID ROCK CAPITAL, S.L.U., agreed to authorise the Company to sign a relationship protocol between OHLA Group and CAABSA Group for their construction business that was effective at 31/12/23. The purpose of the agreement is to promote, to the benefit of all OHLA Group shareholders, the potential synergies arising from the groups working together in the construction sector, while remaining separate groups and

Name or company name of related party	Nature of relationship	Brief description
		competitors. Both groups consider that, with the utmost respect for their autonomy and independent management, as well as applicable standards on corporate governance and related party transactions, their partnership could be beneficial, especially as their geographical markets of operation complement each other well.
SOLID ROCK CAPITAL, S.L.U.	Commercial	In 2022, the Board of Directors, based on a favourable report by the Audit and Compliance Committee and the abstention in both cases of the proprietary directors appointed by 1FORJAR CAPITAL, S.L.U. and SOLID ROCK CAPITAL, S.L.U., agreed to authorise the Company to sign a relationship protocol between OHLA Group and CAABSA Group for their construction business that was effective at 31/12/23. The purpose of the agreement is to promote, to the benefit of all OHLA Group shareholders, the potential synergies arising from the groups working together in the construction sector, while remaining separate groups and competitors. Both groups consider that, with the utmost respect for their autonomy and independent management, as well as applicable standards on corporate governance and related party transactions, their partnership could be beneficial, especially as their geographical markets of operation complement each other well.

A.6 Unless insignificant for both parties, describe the relationships that exist between significant shareholders, shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post
LUIS FERNANDO MARTIN AMODIO HERRERA	LUIS FERNANDO MARTIN AMODIO HERRERA	FORJAR CAPITAL, S.L.U.	Indirect holder of shares representing 96% of share capital
JULIO MAURICIO MARTIN AMODIO HERRERA	JULIO MAURICIO MARTIN AMODIO HERRERA	SOLID ROCK CAPITAL, S.L.U.	Indirect holder of shares representing 97% of share capital

A.7 Indicate whether the company has been notified of any shareholders’ agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

[ ] Yes
[√] No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

[√] Yes
[ ] No

Parties to the concerted action	% of share capital affected	Brief description of the agreement	Expiry date of the concert, if any
LUIS FERNANDO MARTIN AMODIO HERRERA, JULIO MAURICIO MARTIN AMODIO HERRERA	25.96	The Company is aware that the concerted action exists, but not of its terms.	The Company does not know when the concerted action expires.

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

N/A

A.8 Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

[ ] Yes
[√] No

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
700,695		0.12

(*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	

Explain any significant changes during the year:

Explain significant changes

Date of publication / No. of shares / % of treasury shares
23/01/2023 / 5,239,762 / 0.89%
08/03/2023 / 5,917,325 / 1.00%
13/04/2023 / 5,360,500 / 0.91%
09/06/2023 / 5,719,139 / 0.97%
30/08/2023 / 5,904,327 / 1.00%
26/10/2023 / 6,016,650 / 1.02%
20/12/2023 / 5,970,260 / 1.01%

A.10 Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

Authorisation was given at the General Shareholders' Meeting held on 29 June 2021 so that the Company's Board of Directors, pursuant to Article 146 of the Spanish Corporate Enterprises Act, could repurchase treasury shares under any form of transfer accepted by law, directly or through a subsidiary or investee, up to the maximum amount permitted by law. The authorisation is granted for a period of five years and the shares may be acquired at a maximum price of EUR 6 per share, with no minimum price limit, rendering null and void the unused portion of the authorisation resolved in this connection at the General Shareholders' Meeting held on 21 June 2016.

Pursuant to Article 146.1(a) of the Ley de Sociedades de Capital (Spanish Corporate Enterprises Act), the shares repurchased may be granted to company employees or directors as remuneration or as a result of duly agreed-upon share option plans or share capital ownership plans.

There is also a current mandate approved by the Annual General Meeting held on 15 June 2019 delegating to the Board of Directors the power to issue shares in accordance with Article 297.1(b) of the Spanish Corporate Enterprises Act, and the power to, in one or several stages and at any time, increase capital of the Company with pre-emptive rights. In this regard, the Board of Directors was authorised to increase the share capital at the time and by the amount that it decides, without consulting the General Meeting, in one or several stages and at any time, within a maximum period of five years from the date of the General Meeting that approved the delegation, for the maximum provided by law, i.e., EUR 85,964,486.7, equal to half the share capital at that time, through the issuance of new shares -with or without a share premium- with the equivalent value of the new shares to be issued consisting of monetary contributions.

The Board of Directors may establish the terms and conditions of the capital increase, freely offer unsubscribed new shares during the pre-emption period, and establish, in the event of incomplete subscription, that the capital only be increased by the amount of the shares subscribed and that the Article of the Company's bylaws on share capital be redrafted.

The Board of Directors may also apply for the admission to trading of the new shares issued under this delegated power on either Spanish or foreign official organised secondary markets, and perform the necessary formalities and actions for the admission to trading before the competent bodies of the various Spanish or foreign securities markets.

A.11 Estimated float:

	%
Estimated float	64.20

A.12 Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

[ ] Yes
[√] No

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

[ ] Yes
[√] No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market.

[ ] Yes
[√] No

If so, indicate each share class and the rights and obligations conferred:

B. GENERAL SHAREHOLDERS' MEETING

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details:

[ ] Yes
[√] No

B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

[ ] Yes
[√] No

B.3 Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

Pursuant to Article 17 of the Articles of Incorporation, approval by an absolute majority of shareholders at the General Meeting is required for amendments to the Articles of Incorporation, provided that shareholders attending the General Meeting in person or by proxy reach at least fifty per cent of the subscribed share capital with voting rights.

If shareholders holding at least twenty-five percent of the subscribed voting shares are present in person or by proxy, but do not reach fifty percent of the share capital, the resolution may only be validly adopted with the affirmative vote of shareholders representing two-thirds of the share capital present in person or by proxy at the Meeting.

B.4 Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

	Attendance data				
Date of general meeting	% physical presence	% present by proxy	% distance voting Electronic voting	% distance voting Other	Total
26/03/2021	0.00	14.79	0.21	15.34	30.34
Of which float:	0.00	6.79	0.21	0.70	7.70

	Attendance data				
Date of general meeting	% physical presence	% present by proxy	% distance voting Electronic voting	% distance voting Other	Total
29/06/2021	0.00	16.84	0.02	14.78	31.64
Of which float:	0.00	0.84	0.02	0.14	1.00
02/06/2022	0.00	36.58	0.02	0.26	36.86
Of which float:	0.00	3.51	0.02	0.26	3.79
30/06/2023	0.00	31.43	0.46	0.78	32.67
Of which float:	0.00	5.46	0.46	0.78	6.70

B.5 Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

[ ] Yes
[√] No

B.6 Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

[ ] Yes
[√] No

B.7 Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

[ ] Yes
[√] No

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

Website: www.ohl.es / www.ohla-group.com
Information on corporate governance: path: ohla-group.com/en/shareholder-and-investor-information/corporate-governance/
Other information on General Meetings: path: https://ohla-group.com/en/shareholder-and-investor-information/corporate-governance/Annual General Meeting

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	13
Minimum number of directors	7
Number of directors set by the general meeting	10

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the Board	Date first appointed	Date of last appointment	Election procedure
CARMEN DE ANDRES CONDE		Independent	DIRECTOR	09/07/2018	30/06/2023	RESOLUTION OF GENERAL MEETING
REYES CALDERON CUADRADO		Independent	DIRECTOR	27/05/2015	30/06/2023	RESOLUTION OF GENERAL MEETING
CESAR CAÑEDO ARGÜELLES TORREJON		Independent	DIRECTOR	09/07/2018	30/06/2023	RESOLUTION OF GENERAL MEETING
FRANCISCO JOSE GARCÍA MARTIN		Independent	SECOND VICE PRESIDENT	29/07/2021	02/06/2022	RESOLUTION OF GENERAL MEETING
JUAN ANTONIO SANTAMERA SÁNCHEZ		Independent	DIRECTOR	23/06/2016	29/06/2021	RESOLUTION OF GENERAL MEETING
LUIS FERNANDO MARTIN AMODIO HERRERA		Executive	CHAIRMAN	04/06/2020	26/03/2021	RESOLUTION OF GENERAL MEETING

Name or company name of director	Representative	Category of director	Position on the Board	Date first appointed	Date of last appointment	Election procedure
JULIO MAURICIO MARTIN AMODIO HERRERA		Executive	1st Vice President:	04/06/2020	26/03/2021	RESOLUTION OF GENERAL MEETING
LUIS FERNANDO AMODIO GIOMBINI		Proprietary	DIRECTOR	29/07/2021	02/06/2022	RESOLUTION OF GENERAL MEETING
XIMENA MARIA CARAZA CAMPOS BARRENECHEA		Independent	DIRECTOR	30/06/2023	30/06/2023	RESOLUTION OF GENERAL MEETING

Total number of directors	9

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
JUAN VILLAR-MIR DE FUENTES	Proprietary	28/05/2019	30/06/2023	Appointments and Remuneration Committee	NO
JOSE ANTONIO FERNANDEZ GALLAR	Executive	30/06/2023	30/06/2023	-	YES

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting

The Company reports:

- the cause of dismissal of José Antonio Fernández Gallar: José Antonio Fernández Gallar tendered his resignation as director citing personal reasons on 30 June 2023, effective from the end of the General Shareholders' Meeting on that same date.

- the vacancy on the Board of Directors following the resignation of José Antonio Fernández Gallar, which had not been filled as at 31 December 2023.

- the end of the term of office of Juan Villar-Mir de Fuentes on 30 June 2023.

C.1.3Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name or company name of director	Post in organisation chart of the company	Profile
LUIS FERNANDO MARTIN AMODIO HERRERA	Executive President	Graduate in Civil Engineering from Universidad La Salle (Mexico). Founding partner and co-chairman of Caabsa Group, a business consortium established in 1979 comprising 30 companies in the construction, real estate, concession and service industries.
JULIO MAURICIO MARTIN AMODIO HERRERA	Executive Vice President	Graduate in Civil Engineering from Universidad La Salle (Mexico). Founding partner and co-chairman of Caabsa Group, a business consortium established in 1979 comprising 30 companies in the construction, real estate, concession and service industries.

Total number of executive directors	2
Percentage of Board	22.22

PROPRIETARY DIRECTORS		
Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
LUIS FERNANDO AMODIO GIOMBINI	FORJAR CAPITAL, S.L.U.	Graduate in Civil Engineering from Universidad Anahuac México Norte. He has held several positions in Caabsa Group and is a founding partner of Throw App Co.

Total number of proprietary directors	1
Percentage of Board	11.11

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of director	Profile
CARMEN DE ANDRES CONDE	First woman in Spain to earn a degree in Civil Engineering. She has experience in the public sector (Spanish Ministry of Public Works, Spanish Ministry of Industry and Energy and the Spanish state holding company SEPI, where she has held executive positions related to the areas of technology and innovation, and in the private sector (Uralita and Typsa). She is currently the founder and CEO of Creatividad y Tecnología, a company engaged in technology consulting. National Civil Engineering Award winner (2021).

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of director	Profile
REYES CALDERON CUADRADO	PhD in Economics and Philosophy from the University of Navarra, where she has served as Dean of Economics and Director of Reputation. She completed the Senior Management Program at IESE Business School and the Digital Transformation program at Instituto de Empresa. She holds half a dozen patents on Artificial Intelligence applied to operational risk, reputational risk, and energy consumption. She has been secretary of the Board of Directors of the Instituto de Empresa y Humanismo, independent director and chairwoman of the Audit Committee of the Corporación Pública Empresarial de Navarra, and she is currently an independent director for Abside media. She is a Corporate Governance and Ethics Professor at the Francisco de Vitoria University, having been a visiting Professor at the Hass School (University of Berkeley), the School of Economics at the University College of London, and the Sorbonne. As an artist, she is the author of 12 novels translated into several languages and has received the Azorin Award and the Abogados Novel Award.
CESAR CAÑEDO ARGÜELLES TORREJON	Civil engineer. He has successfully led projects such as Prointec, in which he was the chairman from 1990 to 2013; during this tenure he led the integration with Soluziona (Unión Fenosa Group). He has been the chairman of Inse Rail, S.L. He has received outstanding distinctions: medal of honour from the Spanish Association of Civil Engineers (2005); medal for professional services from the Spanish Association of Civil Engineers (1995); and medal of honour from the Spanish Road Association (2013).
FRANCISCO JOSE GARCÍA MARTIN	He holds a Civil Engineering Degree from the Technical University of Catalonia and a Master's Degree in Construction and Real Estate Management from the Technical University of Madrid. For over 15 years, he held various positions of responsibility in FCC until he was appointed General Director of FCC Construcción in 2001. In 2009, he joined Grupo Isolux Corsán as President of Corsán-Corviam, where he subsequently held the position of Chief Executive Officer of the Group. Awarded the Medal of Honour from the Spanish Association of Civil Engineers (Colegio de Ingenieros de Caminos, Canales y Puertos) in 2022.
JUAN ANTONIO SANTAMERA SÁNCHEZ	Doctorate in Civil Engineering from Universidad Politécnica de Madrid and Graduate in Economics and Business Studies from UNED. Master's Degree in Planning from Universidad Politécnica de Madrid, Master's Degree in Urban Planning from Instituto de Estudios de la Administración Local and Master's Degree in Budgetary Analysis Techniques in the Public Sector from Instituto de Estudios Fiscales. He was President of the Spanish Association of Civil Engineers (Colegio de Ingenieros de Caminos, Canales y Puertos) and the Fundación Caminos foundation, and Director of the UPM Civil Engineering School.
XIMENA MARIA CARAZA CAMPOS BARRENECHEA	Holds a degree in International Relations from Universidad de las Américas (Mexico) and an MBA from IE (Spain). She held several positions in the Mexican Secretariat of Foreign Relations before being appointment Mexican Consul in Milan, Italy. She was Director of Foreign Affairs at the Mexican embassy in Spain, where she was awarded the Grand Cross of the Order of Isabella the Catholic by King Juan Carlos I. She has held several representation positions in public and private bodies and since 2018 has been Managing Director of Fundación Casa de México in Spain. She is independent director on the Board of Directors of Realia Business, S.A., Chair of the Audit and Control Committee and member of the Appointments and Remuneration Committee, and director

EXTERNAL INDEPENDENT DIRECTORS	
Name or company name of director	Profile
	of Nilaya Properties de RLH, independent director of Alterna Inversiones members of the Sello Copil committee.

Total number of independent directors	6
Percentage of Board	66.67

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
CARMEN DE ANDRES CONDE	N/A	N/A
REYES CALDERON CUADRADO	N/A	N/A
CESAR CAÑEDO ARGÜELLES TORREJON	Contractual services relationship via Inse Rail, S.L. as disclosed in Note 18.2 to the separate financial statements and Note 4.4 to the consolidated financial statements for 2023, which list transactions and balances between the Company and Group companies and related parties in 2023.	This relationship is not relevant or material for its amount (annual amount of EUR 2 thousand) or subject matter. Lacks the authority to affect the independence of the director.
FRANCISCO JOSE GARCÍA MARTIN	N/A	N/A
JUAN ANTONIO SANTAMERA SÁNCHEZ	N/A	N/A
XIMENA MARIA CARAZA	N/A	N/A

Name or company name of director	Description of the relationship	Reasoned statement
CAMPOS BARRENECHEA		

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
No data			

Total number of other external directors	N/A
Percentage of Board	N/A

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current category
JULIO MAURICIO MARTIN AMODIO HERRERA	30/06/2023	Proprietary	Executive
LUIS FERNANDO MARTIN AMODIO HERRERA	30/06/2023	Proprietary	Executive

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	2023	2022	2021	2020	2023	2022	2021	2020
Executive					0.00	0.00	0.00	0.00
Proprietary				1	0.00	0.00	0.00	25.00
Independent	3	2	2	2	50.00	40.00	40.00	50.00
Other External					0.00	0.00	0.00	0.00
Total	3	2	2	3	33.33	20.00	20.00	30.00

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

[√] Yes
[ ] No
[ ] Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

The Company has a Sustainability Policy that applies to all its operations and geographies. In 2022, the Board of Directors approved the 2022-2024 Strategic Sustainability Plan, which sets outs three relevant aspects: sustainable business, responsible management and social progress. This is designed to reinforce the Company's sustainable business model, including as a priority the promotion of diversity and equality at all levels.

To strengthen its commitment to diversity, OHLA is a member of international initiatives such as the Sustainable Development Goals (SDGs), promoted through the United Nations 2030 Agenda and the Spanish Network of the United Nations Global Compact, a promoting partner of Forética, the Spanish business forum for ESG matters, and a signatory of the manifesto for the Green New Deal for Europe and the CEO Alliance for Diversity.

In 2017, the Board of Directors approved a Director Selection Policy to ensure an appropriate Board composition. Measures in the policy included:

- endeavouring to ensure that candidates are always selected from among persons recognised for their solvency, competence and experience, and assessing the knowledge, skills, experience and merits of the proposed candidate, as well as their commitment to performing the role with the required dedication, and
- ensuring, in particular, that on filling the vacancies, the selection procedures are not afflicted by any bias hindering the appointment of female directors and deliberately seek women who could potentially be candidates for the post.

In 2023, the Appointments and Remuneration Committee proposed and reported to the Board on the re-election and appointment of directors, taking into account the Director Selection Policy regarding directors who were appointed at the General Shareholders' Meeting held on 30 June 2023, to reinforce diversity of gender, nationality, age, experience and education in the composition of the Company's Board of Directors.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures:

As set out in the Regulations of the Board of Directors and the Director Selection Policy, the Appointments and Remuneration Committee specifically ensures that, on filling vacancies, the selection procedures are not afflicted by bias hindering the appointment of women directors and deliberately seek women who could potentially be candidates for the post.

In compliance with this principle, when vacancies have arisen, the Appointments and Remuneration Committee has endeavoured to invite its members and external advisers to present female candidates who might, in principle, have a professional Profile that matches the positions to be filled.

The Appointments and Remuneration Committee has not expressly agreed on measures to encourage the Company to have a significant number of female senior managers. However, the principles included in the Company's Human Resources Policy (III Equality Plan) include strengthening the principle of equal opportunities as a growth driver and promoting non-discrimination based on, among other reasons, gender, promoting a greater presence of women in positions of responsibility within the organisation and favouring their access to all levels and categories, especially in those in which they are the least represented.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reason for this:

Explanation of reasons

In 2023, the Appointments and Remuneration Committee, to fill the vacancy caused by the resignation of Mr Villar-Mir de Fuentes upon the expiration of his term of office, carried out a search, with positive discrimination, for female candidates who met the profile required to fill the vacancy. It submitted a proposal to the Board of Directors to appoint Ximena Caraza Campos, who was appointed director by the General Shareholders' Meeting on 30 June 2023. This increased the number of female directors as a percentage of the total number of members, with the aim of gradually achieving gender balance among directors.

In its Strategic Sustainability Plan, the Company shows its commitment to a responsible and sustainable business model that seeks diversity and inclusion throughout the entire organisation and at all levels of the Company as distinguishing traits, establishing as one of its lines of initiative increasing the presence of women in positions of responsibility.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The Appointments and Remuneration Committee verifies compliance with the Director Selection Policy on an annual basis.

In 2023, the committee verified that the Board complied with the policy on diversity of gender, and of knowledge and experience of new directors. All directors are persons recognised for their solvency, competence and experience.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
No data	

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

[ ] Yes
[√] No

C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
LUIS FERNANDO MARTIN AMODIO HERRERA	Since 30 June 2023, the Executive President, Luis Fernando Martin Amodio Herrera, and the First Executive Vice President, Julio Mauricio Martin Amodio Herrera, have been delegated all the powers of the Board of Directors that can be delegated legally and in

Name or company name of director or committee	Brief description
	accordance with the Articles of Incorporation, except for those that are non-delegable under the law or within the meaning of Article 5 of the Regulations of the Board of Directors, transcribed in general as follows: - the supervision of the effective operation of commissions created and the action of delegated bodies and directors appointed; - the approval of general policies and strategies of the Company and of its basic criteria of organisation - the authorisation or waiver of the obligations arising from the loyalty duty pursuant to the Law; - its own organisation and operation; - the authorisation for issue of the annual financial statements and their presentation to the General Meeting; - the preparation of any sort of report required by the Law by the Board of Directors insofar as the operation mentioned in the report may not be delegated; - the appointment, remuneration and, if applicable, removal of directors of the Company and top management that report directly to the Board or of its members, as well as the definition of the basic terms and conditions of their contracts, including, in the case of executives, their remuneration; - decisions regarding the remuneration of directors within the statutory framework and, if applicable, of the remuneration policy approved by the General Meeting; - the call of the General Shareholders' Meeting and the drafting of the agenda and proposed resolutions; - the approval of the dividend policy and the policy for treasury shares and, particularly, their limits; - control of the management and evaluation of the performance of directors; - the definition of the information and communication policy for shareholders, markets and public opinion, paying special attention to the process for the preparation and presentation of the financial information and the management report that will include, when applicable, mandatory non-financial information that, given the status of listed company, the Company must disclose periodically; - the creation or acquisition of ownership interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens; - the approval, of related party transactions as defined by the prevailing applicable regulation; - transactions that involve the acquisition or transfer of substantial assets; - major corporate transactions, understanding as such those prior agreements and merger and spinoff projects and the purchase and sale of controlling interests in companies for an amount over EUR 60,000,000 per transaction; - financially relative transactions; and any other specifically provided for in the Regulations of the Board of Directors.
JULIO MAURICIO MARTIN AMODIO HERRERA	Since 30 June 2023, the Executive President, Luis Fernando Martin Amodio Herrera, and the First Executive Vice President, Julio Mauricio Martin Amodio Herrera, have been delegated all the powers of the Board of Directors that can be delegated legally and in accordance with the Articles of Incorporation, except for those that are non-delegable under the law or within the meaning of Article 5 of the Regulations of the Board of Directors, transcribed in general as follows: - the supervision of the effective operation of commissions created and the action of delegated bodies and directors appointed; - the approval of general policies and strategies of the Company and of its basic criteria of organisation - the authorisation or waiver of the obligations arising from the loyalty duty pursuant to the Law; -

Name or company name of director or committee	Brief description
	its own organisation and operation; - the authorisation for issue of the annual financial statements and their presentation to the General Meeting; - the preparation of any sort of report required by the Law by the Board of Directors insofar as the operation mentioned in the report may not be delegated; - the appointment, remuneration and, if applicable, removal of directors of the Company and top management that report directly to the Board or of its members, as well as the definition of the basic terms and conditions of their contracts, including, in the case of executives, their remuneration; - decisions regarding the remuneration of directors within the statutory framework and, if applicable, of the remuneration policy approved by the General Meeting; - the call of the General Shareholders' Meeting and the drafting of the agenda and proposed resolutions; - the approval of the dividend policy and the policy for treasury shares and, particularly, their limits; - control of the management and evaluation of the performance of directors; - the definition of the information and communication policy for shareholders, markets and public opinion, paying special attention to the process for the preparation and presentation of the financial information and the management report that will include, when applicable, mandatory non-financial information that, given the status of listed company, the Company must disclose periodically; - the creation or acquisition of ownership interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens; - the approval, of related party transactions as defined by the prevailing applicable regulation; - transactions that involve the acquisition or transfer of substantial assets; - major corporate transactions, understanding as such those prior agreements and merger and spinoff projects and the purchase and sale of controlling interests in companies for an amount over EUR 60,000,000 per transaction; - financially relative transactions; and any other specifically provided for in the Regulations of the Board of Directors.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
No data			

José Antonio Fernández Gallar held the following positions in Group companies until his resignation on 30 June 2023:

- Huaribe, S.A. de C.V: director - non-executive duties
- Playa 4-5 Mayakoba, S.A. de C.V.: director - non-executive duties
- OHLDM, S.A. de C.V.: director - non-executive duties
- OHLA USA, Inc.: director - non-executive duties
- Judlau Contracting, Inc: director - non-executive duties
- CAC Vero I, LLC: director - non-executive duties
- OHL Arellano Construction Company: director - non-executive duties

- Community Asphalt Corp.: director - non-executive duties
- OHL Building, Inc: director - non-executive duties
- Sawgrass Rock Quarry, Inc: director - non-executive duties
- OHL Operaciones, S.A.U.: natural person representative of the sole director - non-executive duties
- Obrascon Huarte Lain, Desarrollos, S.A.U.- Chairman and CEO - non-executive duties
- OHL Holding, S.à.r.l.: director - non-executive duties
- OHL Iniciativas, S.à.r.l.: director - non-executive duties
- Centro Canalejas Madrid, S.L.: director - non-executive duties
- Proyecto Canalejas Group, S.L.: director - non-executive duties
- Pacadar, S.A.U.: Chairman - non-executive duties

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
LUIS FERNANDO MARTIN AMODIO HERRERA	CAABSA Infraestructura, S.A. DE C.V.	CHAIRMAN
LUIS FERNANDO MARTIN AMODIO HERRERA	CAABSA Constructora, S.A. DE C.V.	CHAIRMAN
LUIS FERNANDO MARTIN AMODIO HERRERA	PREFABRICADOS Y TRANSPORTES PRET, S.A. DE C.V.	CHAIRMAN
LUIS FERNANDO MARTIN AMODIO HERRERA	TRUCKS PRET, S.A. DE C.V.	CHAIRMAN
LUIS FERNANDO MARTIN AMODIO HERRERA	AMECSA ARRENDADORA DE MAQUINARIA ESPECIALIZADA DE CAMIONES, S.A. DE C.V	CHAIRMAN
JULIO MAURICIO MARTIN AMODIO HERRERA	CAABSA Infraestructura, S.A. DE C.V.	SECRETARY DIRECTOR
JULIO MAURICIO MARTIN AMODIO HERRERA	CAABSA Constructora, S.A. DE C.V.	DIRECTOR
JULIO MAURICIO MARTIN AMODIO HERRERA	PREFABRICADOS Y TRANSPORTES PRET, S.A. DE C.V.	SECRETARY DIRECTOR
JULIO MAURICIO MARTIN AMODIO HERRERA	TRUCKS PRET, S.A. DE C.V.	SECRETARY DIRECTOR
JULIO MAURICIO MARTIN AMODIO HERRERA	AMECSA ARRENDADORA DE MAQUINARIA ESPECIALIZADA DE CAMIONES, S.A. DE C.V	SECRETARY DIRECTOR
CARMEN DE ANDRES CONDE	CREATIVIDAD Y TECNOLOGÍA, S.A.	SOLE DIRECTOR
REYES CALDERON CUADRADO	ABSIDE MEDIA, S.L.	DIRECTOR
XIMENA MARIA CARAZA CAMPOS BARRENECHEA	REALIA BUSINESS, S.A.	DIRECTOR
XIMENA MARIA CARAZA CAMPOS BARRENECHEA	NILAYA PROPERTIES, S.L.	DIRECTOR

Reyes Calderón Cuadrado is Independent Director of Ábside Media, S.L.

Ximena Caraza Campos is Independent Director of Realia Business, S.A. and Nilaya Properties, S.L.

Julio Mauricio Martin Amodio Herrera is Director and Treasurer of CAABSA Constructora, S.A. de C.V.

Juan Villar-Mir de Fuentes, director until 30 June 2023, when his term of office expired, is director of Ferroglobe, PLC.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
XIMENA MARIA CARAZA CAMPOS BARRENECHEA	Managing Director of Fundación Casa de México in Spain

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

[√] Yes
[ ] No

Explanation of the rules and identification of the document where this is regulated

In accordance with the Company's Board Regulations, in general and except where duly justified by the Appointments and Remuneration Committee, individuals holding more than five directorships in other companies may not be proposed as directors.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	4,470
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	
Pension rights accumulated by former directors (thousands of euros)	

Remuneration accrued in 2023 is in line with the Remuneration Policy approved at the General Shareholders' Meeting held on 2 June 2022 and amended at the General Shareholders' Meeting held on 30 June 2023.

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
DANIEL RUIZ ANDUJAR	GENERAL MANAGER FOR NORTH AMERICA
JOSÉ EMILIO PONT PEREZ	GENERAL MANAGER FOR EUROPE AND LATIN AMERICA
JOSE MARÍA DEL CUVILLO PEMÁN	GENERAL MANAGER OF THE LEGAL DEPARTMENT
GONZALO TARGHETTA REINA	GENERAL MANAGER OF CORPORATE RESOURCES

Name or company name	Position(s)
TOMAS RUIZ GONZALEZ	OHLA GROUP GENERAL MANAGER
JOSE ANTONIO DE CACHAVERA SANCHEZ	GENERAL MANAGER OF SERVICES
JOSE MARIA SAGARDOY LLONIS	CHIEF FINANCIAL OFFICER
FAUSTO GONZÁLEZ CASADO	CONCESSIONS GENERAL MANAGER

Number of women in senior management	
Percentage of total senior management	0.00

Total remuneration of senior management (thousands of euros)	8,722

Total remuneration includes the remuneration of Ignacio Díaz Illan, Corporate Director of Internal Audit.

C.1.15 Indicate whether the Board regulations were amended during the year:

[√] Yes
[ ] No

Description of amendment(s)

On 30 June 2023, the General Shareholders' Meeting was informed of the approval by the Board of Directors at its meeting held on 30 November 2022 to amend Articles 10 and 14 of the Regulations of the Board of Directors and of approval by the Board of Directors at its meeting of 24 May 2023 to amend Article 14 and create Article 14bis.

On 16 November 2023, the Board of Directors agreed to amend Article 5 of the Regulations of the Board of Directors and will report on that decision at the next General Shareholders' Meeting.

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

Proposals for the selection, appointment or re-election of directors submitted by the Board of Directors to shareholders at the General Shareholders' Meeting and decisions on appointments adopted by the Board using the powers of co-option vested in it by law are based on a recommendation or report by the Appointments and Remuneration Committee. The Appointments and Remuneration Committee shall endeavour to ensure that candidates are selected from among persons recognised for their solvency, competence and experience (Article 20 of the Board Regulations). For re-elections, it will assess the quality of the directors' work and dedication to discharging their duties (Article 21 of the Board Regulations).

Directors will cease to hold office once their period of tenure has expired and when decided by the Annual General Meeting or the Board of Directors by virtue of the powers vested in them by law or as mandated by the Company bylaws. Directors must also tender their resignation to the Board of Directors when any of the grounds for resignation outlined in the Board Regulations arise, always based on a report by the Appointments and Remuneration Committee.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)

The annual revaluation carried out in 2023 did not give rise to any significant change in the internal organisation or procedures and work continued internally so that the decision-making process would remain effective and satisfactory.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated

The evaluation process entailed directors filling out a questionnaire on the structure and functioning, responsibilities and effectiveness, and the performance of the Board, the chairman, the secretary and Board committees, as well as the Remuneration Policy.

The findings from the questionnaire are set out in a report submitted to the Board of Directors for its analysis.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

The Company did not engage external advisors to perform the evaluation in 2023.

C.1.19 Indicate the cases in which directors are obliged to resign.

Article 23 of the Board Regulations states that directors must tender their resignation to the Board and, if the latter sees it fit, resign in the following cases:

a) Proprietary directors, if the shareholder they represent disposed of its entire shareholding. If such shareholders reduce their stakes, thereby losing some of their entitlement to proprietary directors, the latter number should be reduced accordingly.
b) Executive directors, when they no longer hold the executive positions to which their appointment as director was associated.
c) All directors, when any of the conflicts of interest or prohibitions set out by the legislation in force arise or they have interests that go against those of the Company.
d) All directors, when they are severely reprimanded by the Nomination and Remuneration Committee as a result of a breach of their director duties.
e) All directors, when their remaining on the Board may jeopardise the Company’s interests, or when the reasons for which they were appointed cease to exist.

Article 23.3 of the Board Regulations states that directors must inform the Board of any circumstances, whether or not related to their actions in the Company itself, that might harm the company’s standing and reputation, tendering their resignation where appropriate.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

[ ] Yes
[√] No

If so, describe the differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

[ ] Yes
[√] No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

[ ] Yes
[√] No

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

[ ] Yes
[√] No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 18 of the Regulations of the Board of Directors states that directors who cannot attend Board meetings shall endeavour to grant a proxy to another member of the Board of Directors of the same category and provide the relevant instructions. It also says that external directors may only delegate their representation to another external director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of Board meetings	8
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0

Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the AUDIT AND COMPLIANCE COMMITTEE	13
Number of meetings held by the GUARANTEE COMMITTEE	27
Number of meetings held by the APPOINTMENTS AND REMUNERATION COMMITTEE	7

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data.

Number of meetings at which at least 80% of the directors were present in person	8
Attendance in person as a % of total votes during the year	65.11
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	6

Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	76.74

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

[√] Yes
[ ] No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
TOMAS RUIZ GONZALEZ	OHLA GROUP GENERAL MANAGER

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The financial statements, as well as all other periodic financial information or any other information which prudence dictates should be disclosed to the markets, are examined by the Audit and Compliance Committee before they are authorised for issue in a meeting at which the external auditors report on the stage of completion of the audit. The financial statements are examined again at a final meeting at which the external auditors report on their draft auditor's report, in accordance with the Regulations of the Board of Directors. In addition, the Audit and Compliance Committee, at any of its ordinary meetings, may call upon the external auditors to attend, if considered necessary, to be informed about, or clarify, any discrepancy, and provide, as the case may be, additional information to avoid a qualified opinion.

Lastly, the auditors present their draft auditor's report to the Board of Directors in a full board meeting held to authorise the financial statements for issue.

According to Article 42 of the Regulations of the Board of Directors, the Board of Directors will endeavour to prepare the financial statements so that they do not give rise to qualifications by the auditors. The Company has complied with this recommendation since it has been listed on the securities market.

C.1.29 Is the secretary of the Board also a director?

[ ] Yes
[√] No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
JOSE MARÍA DEL CUVILLO PEMÁN	

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

One of the Audit and Compliance Committee's functions is to receive information on matters that might compromise the auditors' independence and any other matters related to the financial audit process, and to receive other notifications provided for in auditing laws and technical auditing standards. The committee examines the external auditor's independence. At an annual meeting, it assesses the external auditor's independence and reviews compliances with requirements regarding conflicts of interest established in Spanish Audit Law 22/2015, of 20 July. The committee considered that this independence had been demonstrated, paying particular to the amount relating to fees for non-audit work. In addition, in accordance with Article 42 of the Board Regulations, the Board shall refrain from proposing the engagement of auditors when the estimated fees exceed 10% of the audit firm's revenue in the previous year.

In addition, at meetings at which the General Economic and Financial Department requests authorisation for the audit firm or other companies in its network to provide non-audit services, the Audit and Compliance Committee reiterates the need to only engage services deemed essential to ensure auditor independence and guarantee compliance with current standards relating to the provision of non-audit services.

On an annual basis, the committee issues a report in which it expresses its opinion on the independence of the Company's and its Group's auditor.

The committee pays special attention to preserving its independence in any process carried to engage financial analysts, investment banks or rating agencies in the ordinary course of the Company's business.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors.

[ ] Yes
[√] No

If there were any disagreements with the outgoing auditor, explain their content:

[ ] Yes
[√] No

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

[√] Yes
[ ] No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousand euros)	34	13	47
Amount invoiced for non-audit work/Amount for audit work (in %)	4.54	1.78	3.20

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

[ ] Yes
[√] No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (%)	0.08	0.09

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

[√] Yes
[ ] No

Details of the procedure
The required documentation and information is subject to analysis or approval at each meeting of the Board of Directors and Board committees, along with the minutes of each meeting, and made available to directors sufficiently in advance through the digital platform to which directors have exclusive, individual access.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company’s standing and reputation, tendering their resignation where appropriate. If so, provide details:

[√] Yes
[ ] No

Explain the rules
According to Article 23.3 of the Regulations of the Board of Directors, directors must inform the Board of any circumstances, whether or not related to their actions in the Company itself, that might harm the company’s standing and reputation, tendering their resignation where appropriate. In particular, directors must inform the Board of any criminal proceedings in which they appear as suspects. The Board will examine the case and decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, and disclose this in the annual corporate governance report, unless there are special reasons not to do so.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company’s standing and reputation:

[ ] Yes
[√] No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Under the scope of the terms and conditions of the "EUR 487,266,804 Split Coupon Senior Secured Notes", effective as of 2021, the Company entered into an agreement regarding transactions of existing shareholders or third parties that may control OHLA Group. Moreover, the terms and conditions agreed by the Company and its main financial creditors in 2021 for the Company's refinancing included covenants regarding change of control.

In both cases, a change in control in the agreed terms would trigger the redemption/repurchase of notes and the early cancellation of financing facilities.

The Company and its subsidiaries have also entered to agreements with third parties or guarantee contracts in the form of bonding lines, which require authorisation and must meet certain conditions, including early termination in the event of a change of control of the Company.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	9
Type of beneficiary	Description of agreement
2 EXECUTIVE DIRECTORS, 7 SENIOR EXECUTIVES	TERMINATION BENEFIT: CHIEF EXECUTIVE OFFICER: 2 years' salary. SENIOR EXECUTIVES: in accordance with each employment contract, the bylaw-stipulated amount, with a minimum of one year's salary or a fixed amount. NON-COMPETE AGREEMENT: CHIEF EXECUTIVE OFFICER: one year, for one year’s salary. SENIOR EXECUTIVES: in accordance with each employment contract, with one or two years’ salary depending on the duration of the agreement or a fixed amount.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders’ Meeting
Body authorising the clauses	√	

	Yes	No
Are these clauses notified to the General Shareholders' Meeting?		√

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

GUARANTEE COMMITTEE

Name	Position	Category
CARMEN DE ANDRES CONDE	CHAIR	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of other external directors	0.00

Members besides Carmen de Andrés Conde, chair of this committee, include:

- The Corporate General Manager: Tomás Ruiz González, as member.
- The Chief Financial Officer: José Maria Sagardoy Llonis, as member.
- The General Manager of the Legal Department: José Maria del Cuvillo Pemán, as member.
- The Chief Risk and Internal Control Officer: Álvaro Medina Abenoza, as member.
- And the Finance and Treasury Manager Ignacio Martínez Estéban, Ignacio Martinez Esteban, acting as secretary.

On 30 June 2023, José Antonio Fernández Gallar, after resigning as Company director, ceased to be a member of the Guarantee Committee.

Explain the functions delegated or assigned to this committee, other than those that have already been described in Section C.1.9, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Guarantee Committee was set up as a Board committee via a resolution of the Board of Directors on 15 June 2020, on the recommendation of the Appointments and Remuneration Committee.

It meets every two months as called by its chairman. Extraordinary meetings are held as required by the senior officers of the business divisions.

The Guarantee Committee's functions entail:

1. Controlling and overseeing trends in the Group's guarantee facilities.
2. Assessing and approving, or rejecting, requests for new bank guarantees for OHLA Group, irrespective of the type, business or subsidiary submitting the request or the geographical area.

AUDIT AND COMPLIANCE COMMITTEE

Name	Position	Category
REYES CALDERON CUADRADO	MEMBER	Independent
CESAR CAÑEDO-ARGÜELLES TORREJON	MEMBER	Independent
FRANCISCO JOSE GARCÍA MARTIN	CHAIRMAN	Independent
LUIS FERNANDO AMODIO GIOMBINI	MEMBER	Proprietary

% of executive directors	0.00
% of proprietary directors	25.00
% of independent directors	75.00
% of other external directors	0.00

With the delegation of authority to Julio Mauricio Martin Amodio Herrera agreed by the Board of Directors, his category became that of executive director. In compliance with the Articles of Incorporation and the Regulations of the Board of Directors, Mr Martin Amodio ceased to hold his seat on the Audit and Compliance Committee.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

See section H.1.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairman of this committee was appointed.

Name of directors with experience	FRANCISCO JOSE GARCÍA MARTIN
Date of appointment of the chairperson	29 July 2021

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
REYES CALDERON CUADRADO	CHAIRMAN	Independent
FRANCISCO JOSE GARCÍA MARTIN	MEMBER	Independent
JUAN ANTONIO SANTAMERA SÁNCHEZ	MEMBER	Independent
XIMENA MARIA CARAZA CAMPOS BARRENECHEA	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	100.00
% of other external directors	0.00

With the delegation of authority to Julio Luis Fernando Martin Amodio by the Board of Directors, his category became that of executive director. In compliance with the Articles of Incorporation and the Regulations of the Board of Directors, Mr Martin Amodio ceased to hold his seat on the Appointments and Remuneration Committee.

On 30 June 2023, Juan Villar-Mir de Fuentes, upon expiration of his term of office as director of the Company, ceased to be a member of the Appointments and Remuneration Committee.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

See section H.1.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2023		2022		2021		2020	
	Number	%	Number	%	Number	%	Number	%
GUARANTEE COMMITTEE	1	14.30	1	14.30	1	16.66	0	0.00
AUDIT AND COMPLIANCE COMMITTEE	1	20.00	1	20.00	2	40.00	1	33.00
APPOINTMENTS AND REMUNERATION COMMITTEE	2	20.00	1	20.00	1	20.00	2	40.00

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The regulations of the Audit and Compliance and Nomination and Remuneration Committees are established in the Regulations of the Board of Directors, the updated version of which is available on the Company's website: www.ohla-group.com (https://ohla-group.com/en/shareholder-and-investor-information/corporate-governance/Board committees).

Each year, the Audit and Compliance Committee and the Appointments and Remuneration Committee approve their Annual Activity Report, which is published on the website when the Annual General Meeting is called.

On 24 May 2023, the Board of Directors agreed to amend Article 14 of the Board Regulations to provide for the possibility of delegating powers to an Executive Committee, establishing the regulations governing that Committee. As at the end of 2023, the Board of Directors had yet to decide on the creation of the Executive Committee.

D. RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1 Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related party transactions whose approval has been delegated by the board of directors.

In 2016, the Company's Board of Directors approved rules implementing the provisions of the Regulations of the Board of Directors, in which the procedures and controls for the transactions that the Company or any of the Group companies wish to perform with the directors or significant shareholders, or with their respective related parties, were reinforced and detailed. The results were revised in 2021.

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

Related party transactions carried out by the Company, as provided for in Law 5/2021 amending the Spanish Corporate Enterprises Act, must first be authorised by General Meeting or the Company's Board of Directors and based on favourable report from the Nomination and Remuneration Committee. The Board of Directors will ensure that transactions with the respective related parties are advantageous for the Company, are timely, are carried out on an arm’s length basis, and respect the principle of equal treatment of shareholders who are in the same position. Breach of the provisions and obligations established in the Group's internal rules and regulations in this respect could be considered an infringement by those at whom they are directed, who have executed and authorised them, and who are required to disclose them, but have failed to do so.

Pursuant to Article 260 of the Spanish Corporate Enterprises Act , the Company will disclose significant transactions between the Company and related third parties in the notes to the financial statements, indicating the nature, relationship, amount and any other information related to the transaction needed to determine the Company’s financial position. Moreover, pursuant to Order EHA/3050/2004, of 15 September, as an issuer of securities admitted to trading on official secondary securities markets, it will provide all the information on related party transactions determined by the half-yearly financial reports, without prejudice to the public announcement by the Company, in accordance with article 529 univicies of the Spanish Corporate Enterprises Act, of related party transactions carried out or that reach (i) 5 percent of total assets and (ii) 2.5 percent of total annual revenue.

D.2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the shareholder or any of its subsidiaries	Shareholding	Name or company name of the company or entity within its group	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independents
No data						

Name or company name of the shareholder or any of its subsidiaries	Nature of the relationship	Type of operation and other information required for its evaluation
No data		

D.3 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independents
No data						

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Nature of the operation and other information necessary for its evaluation
No data	

No operation was carried out in 2023 considered significant for its amount or subject matter. The largest operation carried out was for EUR 710 thousand. Note 18.2 to the separate financial statements and Note 4.4 to the consolidated financial statements for 2023 disclose the transactions and balances between the Company and Group companies with related parties in 2023.

D.4 Report individually on intragroup transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

D.5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

D.6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

The Regulations of the Board Directors establish, among others, as basic obligations arising from the director's duty of loyalty the adoption of the necessary measures to avoid situations in which their interests, either as independent professionals or as employees, may be in conflict with the corporate interests of, and their duties to, the Company and in particular require the director to refrain from:

a) Performing transactions with the Company other than ordinary transactions performed under standard conditions for customers and of scant significance, i.e., those where the related information is not necessary to give a true and fair value of the equity, financial position and results of the Company.
b) Using the Company name or their position as director to unduly influence the performance of personal transactions.
c) Using corporate assets, including the Company's confidential information, for personal ends.
d) Exploiting the Company's business opportunities.
e) Obtaining benefits or remuneration from third parties other than the Company and its Group associated with the discharge of their position, except merely as a courtesy.
f) Performing activities as independent professionals or as employees (current or potential) that involve effectively competing with the Company or that, in any other way, place them in a situation of ongoing conflict with the interests of the Company.

2. These provisions also apply if the beneficiary of the acts or of the prohibited activities is a person related to the director.

3. In any case, directors must notify the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have with the interests of the Company.

Conflicts of interest in which directors might be involved must be disclosed in the notes to the financial statements.

The Company may waive the prohibitions outlined above in certain cases, authorising a director or a related person to carry out a certain transaction with the Company, to use certain corporate assets, to take advantage of a specific business opportunity, or to obtain a benefit or remuneration from a third party. When the subject matter of the authorisation is exemption from the prohibition on obtaining a benefit or remuneration from third parties or affects a transaction whose value exceeds 10% of the Company’s assets, such authorisation must necessarily be agreed upon at the Annual General Meeting. In all other cases, authorisation may be granted by the Board of Directors, provided that the independence of the Board members granting the exemption is guaranteed with respect to the exempt director. It shall also be necessary to ensure the harmless nature of the authorised transaction regarding assets and liabilities and, where appropriate, its performance on an arm's length basis and the transparency of the process. The obligation not to compete with the Company may only be waived in the event that no damage is expected to be caused for the Company or the expected damage is offset by the benefits expected to be obtained as a result of the waiver. The waiver shall be granted by means of an express and separate resolution of the General Meeting. In any event, at the request of any shareholder, the General Meeting shall resolve on the removal of the director carrying on competing activities where the risk of damage to the Company is deemed significant. When use of corporate assets is authorised, the director may be exceptionally exempted from the obligation to pay consideration, but in that case the economic benefit will be considered as indirect remuneration and require authorisation by the Board of Directors, based on a report from the Appointments and Remuneration Committee. If the benefit is received as a shareholder, it will only be authorised if the principle of equal treatment of shareholders is upheld.

The Board will be apprised, in any case, of any economic or commercial relationships that may arise between the director and the Company.

Moreover, the regulation on procedures for related party transactions in force at the Company requires all beneficiaries thereof (directors and senior executives) to be aware of, and comply with, the regulated procedure, and take the appropriate measures to ensure compliance by OHLA and the Group.

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

[ ] Yes
[√] No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

OHLA Group's Risk Management System works in a comprehensive and ongoing manner, through operational divisions and corporate functional areas, consolidating this management at Group level and issuing the pertinent guidelines.

E.2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.

RESPONSIBILITIES ATTRIBUTED TO THE BOARD OF DIRECTORS:

The Board of Directors is the most senior decision-making body of the Company and, as detailed in Article 5 3b) of its Regulations, it must directly exercise "the policy on risk control and management, including tax risks, and oversight of the internal reporting and control systems".

It performs its work through the Audit and Compliance Committee ("the Audit Committee").

RESPONSIBILITIES ATTRIBUTED TO THE AUDIT COMMITTEE:

The Audit Committee's remit, notwithstanding any duties imposed by law, the General Meeting or the Board of Directors, includes the following, as indicated in Article 23 f) of the Bylaws and Article 15 of the Regulations of the Board of Directors: "supervise the effectiveness of internal control, the Company's internal audit services and risk management systems, and review the appointment and replacement of their officers and discuss with the auditors of the financial statements the significant weaknesses of the internal control system detected in the performance of the audit".

RESPONSIBILITIES ATTRIBUTED TO THE RISK AND INTERNAL CONTROL DEPARTMENT:

See section F.5 - Supervision of the functioning of the system.

RESPONSIBILITIES ATTRIBUTED TO THE INTERNAL AUDIT DEPARTMENT:

See section F.5 - Supervision of the functioning of the system.

E.3 Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

SEE SECTION H.1.

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

OHLA Group has a risk tolerance level (i.e. acceptable level of risk) established at corporate level.

It defines risk tolerance as the expression of the acceptable or unacceptable level of risk.

Risk tolerance levels are defined for the main risk areas the Group faces and included in the Risk Management Regulations approved by the Board of Directors. Factors considered in determining the level of risk tolerance include risk-return ratio, the primary risk response approach, and risk response decision-making criteria.

The Group has defined certain situations that, if they arise in the course of a transaction, could give rise to an intolerable risk (i.e. red lines). It requires certain authorisations before such risks can be assumed so as to ensure that they are reported and that the appropriate control measures are implemented. The Board of Directors has approved the different levels of authorisation within the Group to address these situations based on the severity of the risks.

OHLA Group has zero tolerance for occupational health and safety, regulatory compliance, and reputation and ethics risks. Regarding reputation and ethics, OHL, S.A. has UNE-ISO 37001 (anti-bribery management systems) and UNE 19601 (criminal compliance management systems) certification. It also has an Internal Compliance Control system that demonstrates that the Company operates on the basis of internationally recognised best practices to combat offences within its organisation, in line with the requirements of Spain's Criminal Code. As a cornerstone of this Compliance System, OHLA has a Code of Ethics, which is mandatory for all persons in the organisation, along with an Internal Whistleblowing System, designed in accordance with the requirements of Spanish Law 2/2023 20 February on the protection of persons who report breaches of regulations and the fight against corruption (Spain's Whistleblowing Act), which is available to its employees and/or stakeholders.

OHLA also has standards, processes and tools in place to assess the external and internal behaviour of third parties, their social and environmental responsibility, and their financial and technical performance. This enables it to identify whether they are included on sanctions lists. The aim is to take timely decisions regarding third parties before any contractual commitments are assumed with them. The Company is firmly committed to zero tolerance for corruption. Accordingly, compliance with anti-corruption regulations is an indispensable condition to continue with any employment relationship or association with OHLA Group.

E.5 Indicate which financial and non-financial risks, including tax risks, have materialised during the year.

SEE SECTION H.1.

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise.

Controlling and managing the risks to which the Group's operations are subject are part of OHLA's regulatory and operational framework. When applied by the organisation in carrying out its operations, it can:

- Identify the risks that can affect the achievement of objectives and understand the factors that could trigger risk events and their potential consequences.

- Determine the context that will enable OHLA Group to focus its risk management efforts in step with the environment in which it operates and the business it carries out.

- Analyse and assess risks, to understand the magnitude of both the positive aspects and the negative implications of a risk event, and the vulnerability to this risk event (i.e. probability of occurrence based on the current level of control). The assessment of the magnitude (impact) and vulnerability to potential risks enables OHLA Group to prioritise and, therefore respond to, its risks so that the focus is on those that pose the greatest threat to achievement of its objectives.

- Respond to risks, to put the risk treatment or response options into practice and make integrated decisions in light of the business and context so that the responses are aligned with the Group's defined risk tolerance. Treating risk not only aims to minimise the potential damage, but also to maximise the potential growth of opportunities. Risk responses can be classified into the follow types:

o Reduce: actions aimed at minimising the impact and/or exposure to a risk.
o Accept: actions aimed at maintaining the risk at acceptable levels.
o Share: actions aimed at sharing the risk with third parties by taking out insurance, process outsourcing, distributing risk through agreements, or other similar actions.
o Avoid: actions aimed at eliminating, where possible, the factors giving rise to the risk.

- Follow-up and review: to assess, on an ongoing basis, the effectiveness and relevance of the risk-management decisions taken and to implement the pertinent corrective measures.

The Risk and Internal Control Department oversee that the Company's operations are carried out within the risk tolerance levels set by the Board of Directors. Based on changes in OHLA's business environment and in the Group's own internal situation, it submits proposals for updating these levels to the Audit and Compliance Committee (ACC). After this committee assesses the proposals, it then, as appropriate, forwards them to the Board of Directors for approval.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1 The entity's control environment.

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

RESPONSIBILITIES ATTRIBUTED TO THE BOARD OF DIRECTORS:

The Board of Directors is the most senior decision-making body of the Company and, as provided for in Article 5 3b) of the Board Regulations, its responsibilities include "approval of general corporate policies and strategies and of the Company's basic organisation and, in particular, the policy on risk control and management, including tax risks, and oversight of the internal reporting and control systems”.

The Board of Directors has a supervisory role regarding the Internal Control over Financial Reporting (ICFR) system, understanding the risks relating to the Group's financial reporting objectives and the controls established by the Board to mitigate them.

It performs its oversight work through the Audit and Compliance Committee ("the Audit Committee") and the Internal Audit Department.

RESPONSIBILITIES ATTRIBUTED TO THE AUDIT COMMITTEE:

The Audit Committee's remit, notwithstanding any duties imposed by law, the General Meeting or the Board of Directors, includes the following responsibilities according to Article 23 f) of the Bylaws and Article 15 of the Regulations of the Board of Directors:

1. Supervising the effectiveness of the Company's internal control, internal audit services and risk management systems, and reviewing the appointment and replacement of their officers and discussing with the auditors of the financial statements the significant weaknesses of the internal control system detected in the performance of the audit.

2. Overseeing the financial reporting preparation and presentation process and reviewing the appointment and replacement of the persons responsible.

3. Reviewing the Company's financial statements, monitoring compliance with legal requirements and the correct application of generally accepted accounting principles, and reporting on proposals for changes in accounting principles and policies put forward by management.

RESPONSIBILITIES ATTRIBUTED TO MANAGEMENT:

The General Economic and Financial Department has overall responsibility for the design, implementation and maintenance of the internal controls of the Group's ICFR system to ensure the quality of the information. This responsibility is outlined in the Functions Handbook and the Group's Financial Reporting System Oversight Model.

The ICFR system of each company and/or department is the responsibility of their most senior manager and Economic and Financial Manager.

Among the overall responsibilities and oversight of the internal control system attributed to it, the Corporate Internal Risk and Control Department works together with the General Economic and Financial Department in assessing the impact of reported incidents and monitoring implementation of the action plans to resolve them. This responsibility is outlined in the Financial Reporting System Maintenance and Reporting Instructions.

OHLA Group’s Internal Audit Department checks the reliability of the risk management and internal control systems and the quality of information and, in particular, reviews the ICFR system and the adequacy of the controls in place. This responsibility is included in the Internal Audit Charter approved by the Board of Directors, in the Group's Functions Handbook and in its Financial Reporting System Oversight Model.

F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The Board of Directors' policy is to delegate the normal management of the Company to the executive bodies and the management team, and focus its efforts on defining the business and organisational policy and discharging its general oversight function.

The Group's Chief Executive Officer is responsible for designing and reviewing the organisational structure, and proposing any changes to the Group's basic organisational chart.

The General Organisation and Corporate Resources Department is responsible for implementing improvements to the Group's organic structure, proposing structural optimisation and efficiency measures, and defining the reporting lines and domains of competency of the Group's basic structure.

The Chief Executive Officer is responsible for approving the basic organisational charts of the General Departments under his or her authority, and for proposing to the Board of Directors the Group's organic structure and functioning.

The Appointments and Remuneration Committee's basic responsibilities include proposing to the Board of Directors the annual remuneration system and amounts paid to the members of the Executive Committee, and the criteria for the remuneration of the Group's other management staff.

The Group has basic and detailed organisational charts covering the entire organisation, which are available to all Group employees.

It also has a Basic Functions Handbook, updated in 2022, which describes the reporting line, composition and basic functions of each governance body, the structure of the Group and its operating divisions. The Handbook is available to Group employees on the corporate Intranet.

The Organisational Chart and the Functions handbook are updated periodically and when circumstances dictate.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

SEE SECTION H.1.

- • Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential.

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

In May 2023, following enactment on 13 March 2023 of Law 2/2023 of 20 February on the protection of persons reporting breaches of regulations and the fight against corruption, which requires companies to have an internal reporting channel, as well as adequate protection against retaliation for informants (whistleblowers), the Ethics Channel was adapted, giving rise to an Internal System for Reporting Breaches (the Whistleblowing System) by:

- Creating a Compliance Committee, as a collegiate body with responsibility for the Whistleblowing System.
- Appointing a Compliance Officer with responsibility for running the Whistleblowing System.

- Obtaining approval by the Board of Directors of the Whistleblowing Policy and the OHLA Group's Whistleblowing System Procedure: Ethics Channel.

- Acquiring the "Whistleblower Software" platform. This tool is specifically designed to comply with the Whistleblower Protection Act and the General Data Protection Regulation. It meets the highest standards of security and encryption and is equipped with the organisational and technical resources to safeguard the confidentiality of the identity of the reporting persons.

The Ethics Channel is available in Spanish, English and Czech on the corporate intranet, the Group's corporate website (https://www.canaletico.ohlagroup.com), or post (Canal Ético de Comunicación del Grupo OHLA - Dirección de Cumplimiento: P° Castellana, 259 D. 28046 Madrid), making it widely accessible.

The Whistleblowing Policy ensures that all reports and consultations are treated with the strictest level of confidentiality, guarantees that no whistleblowers reporting potential breaches in good faith will suffer retaliation. In addition, the Whistleblowing System Procedure: Ethics Channel regulates the appropriate implementation and operation of the System developed including, for instance, the scope of application, the responsibility of the person in charge of running the Whistleblowing System, the rules of access and, in general, the procedure for processing reports of breaches and consultations that may be submitted using any of the reporting channels.

The person in charge of running the Whistleblowing System (Compliance Officer or Instructor) shall gather any information deemed necessary for determining, where appropriate, whether to accept the report and launch an investigation. Where there is a conflict of interest or a proposal to reject the report, the report must be disclosed to the Compliance Committee.

OHLA Group allows reports to be submitted anonymously. However, to be accepted for processing, sufficient evidence of the reported facts must be provided so that the investigation can focus on specific facts.

Upon completion of the investigation, the Compliance Officer or Instructor must submit a report on the investigation, together with the proposed resolution, to the Compliance Committee which then takes the decision it deems appropriate. Moreover, the ACC shall disclose all reports received and information about their resolution regularly to the Board of Directors.

In 2023, a total of 63 communications of potential breaches of the Code of Ethics (as well as various queries) were received. Of these, 39 were made directly through the Ethics Channel and the other 24 through other channels. Of the complaints, 39 were investigated and 24 either dismissed or referred to other areas or departments as they did not represent any violation of the Code of Ethics.

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

- Training and periodic refresher programmes for staff involved in the preparation and revision of financial information, as well as assessment of the ICFR (Internal Control System for Financial Information), that covers at least accounting rules, audits, internal control and risk management.

For training and periodic refresher courses for staff involved in the preparation and review of the financial information, topics related to economic and financial improvements and updates have been included in the Group's training catalogue.

Meanwhile, all personnel responsible for the Group's financial reporting have access to a digital archive of all ICFR system regulations, the Group's Accounting Policies Handbook and the other accounting legislation used generally. All of internal regulations regarding financial reporting and financial reporting processes are available on the Group's Intranet.

F.2 Assessment of risks in financial reporting.

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented:

SEE SECTION H.1.

· Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often:

SEE SECTION H.1.

· The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles:

SEE SECTION H.1.

· Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

SEE SECTION H.1.

·The governing body within the company that supervises the process:

SEE SECTION H.1.

F.3 Control activities.

Report on whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information published by the stock markets and a description of the ICFR, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including financial closing procedures and the specific review of judgements, estimates, valuations and relevant forecasts.

The Group has a detailed procedure for disclosing financial information to third parties, so that both the preparation and dissemination of such information have the utmost guarantees.

The Group's General Economic and Financial Department is charge of preparing the Group's financial information.

Before disclosure to the markets, the Board of Directors must approve this financial information, based on a favourable report by the Audit Committee, analysing it and requesting any clarifications it deems necessary, both internally and from the Group’s external auditor.

These activities are performed for the interim, quarterly and half-yearly financial reporting, as well as for the annual reporting. Half-yearly and annual reporting is subject to approval by OBRASCÓN HUARTE LAIN, S.A.’s Board of Directors.

The procedure for disclosing financial information to third parties also governs how to act regarding other issues, such as:

- Inside information
- Financial information for other securities markets
- Financial information for analysts and investors, financial institutions and rating agencies - Statistics
- Tenders and bids
- Financial information required in agreements

Individuals in charge of preparing, authorising and disclosing public financial information are established for each case.

DOCUMENTATION ON FLOWS OF ACTIVITIES AND CONTROLS:

A basic step to ensuring the reliability of the information is the analysis of critical processes and sub-processes affecting the preparation of such information. The aim is to facilitate the risk identification described and the implementation of controls. In this connection, the work comprises the following steps:

1. Identifying the critical processes, and the sub-processes comprising each one of them, which play a part, directly or indirectly, in the generation of the financial information for the companies included in the scope.

2. Describing the flow of activities using process and sub-process flowcharts.

3. Identifying key control activities that mitigate the identified risks that might affect the generation of financial information, identifying the person in charge of control, the frequency of the activity, the type of control (detective or preventive), the type of execution (manual or automatic) and the related supporting documentation.

The activity flow documentation compiled in the course of the processes and sub-processes is available to all employees on the Group’s intranet.

The documented processes include the accounting close, reporting and consolidation process, taking into account the specific review of the significant judgements and estimates made.

The Group has a governance, risk and compliance (GRC) IT tool that supports its ICFR system structure and serves as a database for all the material processes and sub-processes of the Group companies. This allows for integrated reporting and oversight of the ICFR system for all material processes and sub-processes of the Group companies within its scope

The Group’s General Economic and Financial Department, supported by the various divisions, is responsible for updating processes and activities. It reports to the Audit Committee regularly on the stage of completion of the work performed in relation to the ICFR system and the improvement processes implemented.

F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

OHLA’s ICFR model envisages the IT processes that include the environment, architecture and infrastructure of the information technologies, as well as the applications related to transactions that directly affect the Company's main processes and, accordingly, the financial reporting and accounting close processes.

The Group's Information Systems Department is responsible for the information systems. Its duties include defining and monitoring the security policies and standards for applications and infrastructure that support the internal control model within the area of information technologies.

In relation to the internal control framework of the information systems, areas considered priority areas relate to application security and access control, data protection, developments of applications in response to the Group’s needs, and the ability to recover from a security incident that could affect business operations.

Within these areas, the following items relating to the applications supporting the financial reporting system are considered to be particularly relevant:

- Physical security of the data processing centres.
- Management of the demand for developments and functional changes.
- Management of IT development flow.
- Management of cybersecurity risks.
- Management of incidents.
- Management of continuity of economic processes.

In addition, in 2023 actions were taken to set up control, monitoring and reporting of the IT systems that support business processes with an impact on the financial reporting, including:

- In infrastructure:

- We made progress on reviewing communications at our various sites, focusing on improving end-to-end data traffic monitoring in an effort to make data transmission more efficient and secure.
- We deployed more probes at several sites to gather data on availability of communications. This strategy enables us to proactively detect issues, for instance, in connection and speed, and to improve the continuity and quality of our communications service.

- We made inroads in the Active Directory unification project, designed to establish an integrated set of users and equipment following the same policies throughout the Group. This integration will make it easier to achieve better segmentation of permissions and efficient synchronisation with Azure Cloud, thereby reinforcing the management and security of our digital operations.
- We also continued with the deployment of cloud applications and services using Azure and AWS technologies. This step marks a major move forward in optimising our operations and furthers our commitment to reducing our carbon footprint. Cloud solutions provide greater flexibility and efficiency in resource management, which is in line with our sustainability and IT upgrade objectives.

• In applications:
- Further development of the data management initiative to have dashboards and indicators at different levels of management in the following areas and/or processes: Construction project record (operational and aggregated), HR indicators and management control scorecard. - Improvements to GCONS in the level of progress, allowing for automated uploading of information of level of progress/future losses from branches.
- Further implementation of the invoice and e-invoice approval process (supplier portal), making its use mandatory in new agreements entered into with suppliers in Spain, thereby making the process more efficient by reducing handling time and automating controls in the invoice management process.
- Improvements were implemented to GCONS in order to comply with fiscal regulations, such as customs VAT, the issuance of certified invoices, new taxes and records of purchases and sales in Peru.
- Other improvements were made to GCONS for economic management and control of amounts to be billed for construction work performed .
- SAP RISE was implemented in OHL Industrial, moving from an on-premise to a Cloud version to enhance process efficiency.

- Improvements were developed and implemented in SIC to have tighter control over the Company's purchases and procurement.
- The monthly close and pre-close and annual evaluation of work performed, the gross margin, EBITDA and cash flow were incorporated into the management control scorecard.

• In IT governance:
- Committees continued work on monitoring initiatives, problems and incidents among OHLA Group's systems managers to share experiences and find solutions to the various problems that arise.

• In IT security:
- The user authentication mechanism in core corporate applications was modified in a move to align it with the architecture, requirements and access security policies of the new Active Directory being deployed.
- In line with the new Active Directory project, we implemented a more robust password policy and a new security group, security role and privileged user configuration to bolster security and enhance management.
- An external assessment was conducted on the maturity status of OHLA's IT security in both the EU and LATAM, and in ZS, USA and INGESAN. The aim was to draw up an action plan for identifying initiatives to make OHLA's information and systems more secure.
- A more comprehensive anti-virus protection system was rolled out and integrated with other existing security and operational solutions, along with an email protection system and a collaboration space. When integrated into the mail, instant messaging and file storage management platform, these solutions provide advanced threat and blocking capabilities, while also monitoring suspicious activity.
- An automated system was deployed for detecting vulnerabilities in OHLA's IT system assets so that any needs for applying security updates and improving the configuration of assets are identified to minimise the risk of security incidents.
- The information security awareness campaign to teach OHLA Group users best cybersecurity practices so they can identify threats that jeopardise data and IT systems and act more safely in their daily work was completed.

F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

The Group has internal control procedures in place aimed at overseeing the information included in the financial statements of temporary business associations (UTEs) and joint ventures (JVs) in which it holds an interest.

This procedure distinguishes between UTEs managed by the Group and those that are not. For managed UTEs, since the information is managed in the Group’s systems, the same controls and accounting policies followed for the rest of the Group are applied.

When the Group is not responsible for management of the UTEs/joint ventures/consortia, information review and uniformity processes are carried out, where necessary for inclusion in the Group’s financial statements, and the basic economic and financial criteria are set by mutual agreement with the partners. In both cases, review work is also performed through the Group’s representatives on the management/executive committees.

For valuations requested from independent experts, the criteria used are analysed to verify their suitability and the valuations are discussed in detail. Where reports are not deemed to be conclusive or controversial aspects arise, additional opinions are requested for their clarification. Where valuations are based on estimates by the Group's various divisions, the assumptions used and their reasonableness are verified by the General Economic and Financial Department.

For other significant judgements, estimates and projections, a detailed review is conducted. Particular attention is paid to the criteria used in the medium- and long-term projections performed by the Group's various subsidiaries / divisions and whether they are consistent in respect of all the parameters used.

F.4 Information and communication.

Report on whether the company has at least the following, describing their main characteristics:

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

ACCOUNTING POLICIES HANDBOOK:

The Group has an Accounting Policies Handbook designed to summarise the Group's general accounting principles, measurement bases and general accounting policies and the specific accounting policies of each division. Compliance with the handbook is mandatory for all OHLA Group companies.

The Group's General Economic and Financial Department is responsible for the internal application of the accounting policies.

In both cases, the General Economic and Financial Department informs the Audit Committee of any updates before they are made.

For matters not detailed in the Accounting Policies Handbook, International Financial Reporting Standards (IFRSs) are applied.

RESPONSIBILITIES OF THE AUDIT AND COMPLIANCE COMMITTEE:

According to Article 15 (1) of OBRASCÓN HUARTE LAIN, S.A.'s Regulations of the Board of Directors, the basic responsibility of the Audit Committee is as follows: "Reviewing the Company's financial statements, monitoring compliance with legal requirements and the correct application of generally accepted accounting principles, and reporting on proposals for changes in accounting principles and policies put forward by management".

The Audit Committee actively discharges this responsibility by being informed of the accounting updates proposed by the Group's General Economic and Financial Department, and developments in accounting legislation, in the process of being approved by the IASB, that may affect the Group.

This information is also discussed with the Group's auditors in regular meetings held with the Audit Committee.

In addition, the reports issued by Internal Audit and also received by the Audit Committee usually address the review of the proper application of the accounting principles within the areas or review projects as part of their planned engagements.

F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

The Group has a procedure in place, managed by the Group's General Economic and Financial Department, for obtaining periodic financial information from all divisions. It describes the financial reporting models that Group subsidiaries must send regularly, indicating the persons responsible for their preparation and update.

This procedure includes:

- The Group's accounting close timetable.

- A mandatory standardised monthly financial reporting model, which in most cases includes traceability of the information from the IT system and detailed instructions for its completion.
- A standardised annual financial reporting model for preparation of the notes to the Group's financial statements, with detailed instructions for its completion.
- Internal system for sending corporate information.

Any significant change in this procedure is reported to the Audit Committee.

ICFR SYSTEM MAINTENANCE AND REPORTING.

An ICFR system maintenance and reporting procedure is in place for internal control purposes aimed at periodically reporting on its functioning.

The persons responsible for updating and maintaining the ICFR system at the companies included within the ICFR system scope must keep each process up to date, based on a specified assignment of responsibilities.

Similarly, a half-yearly reporting procedures is in place to facilitate internal knowledge regarding the degree of compliance of the ICFR system.

The Reporting Model is submitted to the Group's General Economic and Financial Department by the economic and financial head of each subsidiary on a half-yearly basis. In a bid to achieve continuous improvement, all changes and incidents reported by each subsidiary are evaluated by the General Economic and Financial Department so that the ICFR system is kept up to date and in step with the applicable circumstances.

Since 2020, to comply with ESEF regulations issued by ESMA, the Group has had an IT tool in place for creating and presenting annual financial reports electronically. This tool also allows for labelling using the ESEF taxonomy. When the time comes, the financial statements will be published on the Group's website in that format.

F.5 Supervision of the functioning of the system.

Report on at least the following, describing their principal features:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible prepares the assessment reports on its results, whether the company has an action plan describing possible corrective measures, and whether its impact on financial reporting is considered.

SEE SECTION H.1.

F.5.2 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

Article 15 of Obrascón Huarte Lain, S.A.’s Board Regulations includes the following responsibilities of the Audit Committee:

Section 2c): establish appropriate relations with external auditors to receive information on matters that might compromise the auditors' independence and any other matters related to the financial audit process, and to receive other notifications provided for in auditing laws and technical auditing standards.

Section 2i): supervise the effectiveness of the Company’s internal controls and risk management systems, and discuss with the auditor any significant weaknesses in the internal control system that may have been detected over the course of the audit, without compromising its independence. To this end, and where appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding time frame for follow-up activities.

These responsibilities are performed actively, through regulars meetings the Audit Committee holds with the Group's external auditors and with the department managers, and with the Group's Chief Financial Officer, Risk and Internal Control Director, Internal Audit Director and Chief Compliance Officer, who are all permanently invited to attend all of the Audit Committee's meetings.

This way, based on an annual schedule, the Audit Committee calls the heads of each of area in advance to attend in person and give a specific presentation to the committee members on how they manage risk in their respective areas.

The Audit Committee holds meetings with the external auditors at least every six months and annually to be informed of internal control issues detected in the course of the audit which, where applicable, are corrected by updating the affected policies or rules and the controls defined in the Internal Control System. In 2023, the external auditor attended five Audit Committee meetings.

The Audit Committee receives reports on all actions of the Internal Audit Department, the Risk and Internal Control Department and the Compliance Department, and a report on the weaknesses detected and monitoring of compliance with all the significant recommendations made in the performance of its work.

The three departments are in constant communication with the Audit Committee regarding those functions, particularly of preparing and keeping up to date:

- The annual engagement plan.
- The Department's annual budget.
- The reports on each assignment performed.
- The Department's Organisational and Procedural Rules.

The aim is for the Audit Committee to monitor all the activities performed as an effective measure for developing and complying with its oversight responsibilities.

F.6. Other relevant information.

NOT APPLICABLE

F.7. External auditor´s report.

Report:

F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The Group engaged an external auditor to prepare a review report on the ICFR system information described in this document, attached as an Appendix, in line with Guidelines on the Auditor's Report relating to the Information on the ICFR system of Listed Companies, published by the CNMV on its website.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company’s degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

   Complies [X] Explain [ ]

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

   a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.

   b) The mechanisms in place to resolve any conflicts of interest that may arise.

   Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

3. That, during the ordinary General Shareholders’ Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

   a) Changes that have occurred since the last General Shareholders’ Meeting.

   b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

   Complies [X] Complies partially [ ] Explain [ ]

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

   And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

   Complies [X] Complies partially [ ] Explain [ ]

5. That the Board of Directors should not submit to the General Shareholders’ Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.

   And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

   Complies [X] Complies partially [ ] Explain [ ]

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders’ Meeting, even if their publication is not mandatory:

   a) Report on the auditor’s independence.

   b) Reports on the workings of the audit and nomination and remuneration committees.

   c) Report by the audit committee on related party transactions.

   Complies [X] Complies partially [ ] Explain [ ]

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders’ Meetings.

   And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

   Complies [X] Complies partially [ ] Explain [ ]

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals.

   Complies [X] Complies partially [ ] Explain [ ]

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

   And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

   Complies [X] Complies partially [ ] Explain [ ]

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

    a) Should immediately distribute such complementary points and new proposals for resolutions.

    b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.

    c) Should submits all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.

    d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

    Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

11. That, if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

    Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

    And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

    Complies [X] Complies partially [ ] Explain [ ]

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

    Complies [X] Explain [ ]

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

    a) Is concrete and verifiable.

    b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and

    c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

    That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

    The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

    Complies [X] Complies partially [ ] Explain [ ]

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

    And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

    Complies [ ] Complies partially [X] Explain [ ]

The Company complies with the recommendation for proprietary or independent members to constitute a majority of the Board of Directors.

Regarding the number of female directors, one vacancy arose in 2023 in the board that was filled with the appointment by the General Shareholders' Meeting of Ximena Caraza Campos. This raised the number of female directors to three out of nine, i.e. 33.33% of the total. This percentage does not meet the threshold stipulated in the recommendation, but the Company improved the balance between women and men on the Board in 2023 and will continue to ensure that should a vacancy arise on the Board, the selection procedure is not biased against female directors and deliberately seek out women who are potential candidates for the position.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

    This criterion may be relaxed:

    a) In large-cap companies where very few shareholdings are legally considered significant.

    b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

    Complies [X] Explain [ ]

17. That the number of independent directors should represent at least half of the total number of directors.

    That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company’s share capital, the number of independent directors should represent at least one third of the total number of directors.

    Complies [X] Explain [ ]

18. That companies should publish the following information on its directors on their website, and keep it up to date:

a) Professional profile and biography.

b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.

c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.

d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.

e) Company shares and share options that they own.

Complies [X] Complies partially [ ] Explain [ ]

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

    The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

    Complies [X]   Explain [   ]

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

    And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

    Complies [X]   Complies partially [   ]   Explain [   ]

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

    Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

    This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

    Complies [   ]   Complies partially [   ]   Explain [   ]   Not applicable [X]

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

    And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

    Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

    And that the Board regulations establish the maximum number of company Boards on which directors may sit.

    Complies [X] Complies partially [ ] Explain [ ]

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

    Complies [X] Complies partially [ ] Explain [ ]

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

    Complies [X] Complies partially [ ] Explain [ ]

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

    Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company’s expense.

    Complies [X] Complies partially [ ] Explain [ ]

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies [X] Explain [ ] Not applicable [ ]

31. That the agenda for meetings clearly states those matters about which the Board of Directors are to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall by duly recorded in the minutes.

Complies [X] Complies partially [ ] Explain [ ]

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies [X] Complies partially [ ] Explain [ ]

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out his duties required by law and the Articles of Association, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances so dictate.

Complies [X] Complies partially [ ] Explain [ ]

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies [ ] Complies partially [X] Explain [ ] Not applicable [ ]

Since 30 June 2023, the Company has had a coordinating director who has been attributed the functions outlined in the Regulations of the Board of Directors. The regulations do not include a succession plan, which is the responsibility of the Appointments and Remuneration Committee, or contacts with investors and shareholders, which are carried out by the General Economic and Financial Department, the Investor Relations Department and, as appropriate, any other Company department as required depending on the specific matter.

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies [X] Explain [ ]

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies [ ] Complies partially [X] Explain [ ]

The Company carried out the evaluation internally without the assistance of any external adviser, mainly due to the implementation of a strict cost containment policy that affects the engagement of external advisers.

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies [X] Complies partially [ ] Explain [ ]

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [X] Complies partially [ ] Explain [ ]

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1 With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2 With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor’s independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor’s business, and, in general, all other rules regarding auditors' independence.

Complies [X] Complies partially [ ] Explain [ ]

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies [X] Complies partially [ ] Explain [ ]

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [X] Complies partially [ ] Explain [ ]

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies [X] Complies partially [ ] Explain [ ]

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies [X]   Complies partially [ ]   Explain [ ]

48. That large-cap companies have separate nomination and remuneration committees.

Complies [ ]   Explain [ ]   Not applicable [X]

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies [X]   Complies partially [ ]   Explain [ ]

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

a) Proposing the basic conditions of employment for senior management to the Board of Directors.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies [X]   Complies partially [ ]   Explain [ ]

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies [X]   Complies partially [ ]   Explain [ ]

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors.

b) That their chairpersons be independent directors.

c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies [ ] Complies partially [X] Explain [ ] Not applicable [ ]

The Company has a Guarantee Committee, the regulation and functions of which the Board considers appropriate without including them in the Regulations of the Board of Directors.

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies [X] Complies partially [ ] Explain [ ]

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies [X] Complies partially [ ] Explain [ ]

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct-

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [X] Complies partially [ ] Explain [ ]

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies [X] Explain [ ]

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies [X] Complies partially [ ] Explain [ ]

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies [ ] Complies partially [X] Explain [ ] Not applicable [ ]

The annual variable remuneration of the Company's executive directors is linked to the achievement of certain annual targets, the degree of fulfilment of which is determined by the Board of Directors on a recommendation by the Nomination and Remuneration Committee.

According to the Director Remuneration Policy approved by the Annual General Meeting, payment of the Annual Variable Remuneration shall be linked to the achievement of specific business objectives.

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies [ ] Complies partially [ ] Explain [ ] Not applicable [X]

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies [X] Complies partially [ ] Explain [ ] Not applicable [ ]

H. OTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.
3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010:

C.2.1. AUDIT AND COMPLIANCE COMMITTEE.

FUNCTIONS, RULES AND PROCEDURES FOR THE ORGANISATION AND FUNCTIONING OF THE AUDIT AND COMPLIANCE COMMITTEE: The functions entrusted to the Audit and Compliance Committee and the procedures and rules governing its organisation and operation are set out in Article 15 of the Regulations of the Board of Directors: "Article 15. The Audit and Compliance Committee.
1. The number of members of the Audit Committee shall not be less than three or more than seven, and shall be determined by the Board of Directors. All the members of the Audit Committee must be directors who are not executives of the Company and do not have a contractual relationship other than that by which they are appointed. The majority must be independent directors. The members of the Audit and Compliance Committee, and in particular its chairman, shall be appointed taking into their knowledge and experience in accounting, audit and risk management, both financial and non-financial risks. Without prejudice to the provisions of the law and the Company's bylaws, the Audit Committee shall have the powers and be governed by the rules of operation set out below. 2. Without prejudice to other tasks assigned to it by law, the Bylaws, the Annual General Meeting or the Board of Directors, the Audit and Compliance Committee shall have the following basic responsibilities: a) To report to the Annual General Meeting on any issues raised at it by shareholders in matters within its competence and, in particular, on the outcome of the audit, explaining how it has contributed to the integrity of the financial information and the duties performed by the Audit and Compliance's in this process; b) To lay before the Board of Directors proposals for the selection, appointment and replacement of the auditor, the terms of the engagement, the scope of the professional mandate, guaranteeing that the fees paid to the external auditor for its work does not compromise its quality or independence, and, where applicable, the external auditor's revocation or non-renewal, and to regularly receive from the external auditor information on the audit plan and its execution, in addition to preserving its independence in the exercise of its duties. In the event of resignation by the external auditor, to examine the reasons behind it; c) To establish appropriate relations with external auditors to receive information on matters that might compromise the auditors' independence and any other matters related to the financial audit process, and to receive other notifications provided for in auditing laws and technical auditing standards; d) To receive, in all cases, an annual statement from the external auditors confirming their independence from the Company or directly or indirectly related entities, in additional to detailed information on an individual basis about any additional services of any kind provided to, and the related fees received from, these entities by the auditors or by persons or entities related to them, pursuant to the law. To ensure that the external auditor holds an annual meeting with the Board of Directors in full in order to make a report regarding the engagement performed and the development of the company's accounting situation and risks; e) To make sure that the Company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof; f) To ensure that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor’s business, and, in general, all other rules regarding auditors' independence; g) To issue on an annual basis, prior to the issuance of the audit report on the financial statements, a reporting containing an opinion regarding whether the independence of auditors and audit firms has been compromised. This report must be contain, in all cases, a reasoned evaluation of the provisions of each additional service referenced in the previous point, considering each service individually and jointly, separate to the statutory audit and in relation to the system of independence and regulations governing auditing activities; h) To ensure fulfilment of the audit engagement, endeavouring that the auditor's opinion on the financial statements and the content of the audit report are drafted clearly and precisely; i) To supervise the effectiveness of the Company’s internal controls and risk management systems, and discuss with the auditor any

significant weaknesses in the internal control system that may have been detected over the course of the audit, without compromising its independence. To this end, and where appropriate, it may submit recommendations or proposals to the Board of Directors and the corresponding time frame for follow-up activities; j) To supervise and evaluate the processes for the preparation and the completeness of the financial and non-financial information, as well as the financial and non-financial risk control and management systems relating to the Company and the Group, including operational, technological, legal, social, environmental, political, or reputational risks, or risk related to corruption. To review the appointment and replacement of the persons responsible; k) To ensure the independence of the unit charged with the internal audit function; propose the selection, appointment, re-election and dismissal of the head of internal audit; propose the budget for this service; approve or propose its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); to receive periodic information on its activities; and verify that senior management takes into account the conclusions and recommendations of its reports; l) To review the Company's financial statements, monitoring compliance with legal requirements and the correct application of generally accepted accounting principles, and report on proposals for changes in accounting principles and policies put forward by management; m) To review issue prospectuses and periodic financial information that must be disclosed by the Board to the markets and its supervisory bodies; n) To ensure that internal control policies and systems are effectively applied in practice; o) To inform the Board of Directors in advance of any related party transactions that must be approved by the General Meeting or the Board of Directors, and oversee the internal procedure in place at the Company for those transactions whose approval has been delegated; p) To establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the Company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported; q) Inform the Board of Directors, with prior notice, about all matters foreseen in law, the Bylaws and the Regulations of the Board of Directors; in particular those regarding: 1) the financial information and the management report, which shall include, where appropriate, the mandatory non-financial statement the Company must disclose periodically, 2) the creation or acquisition of ownership interests in special purpose vehicles or entities domiciled in countries or territories considered to be tax havens, 3) proposals for amendments to the Regulations of the Board of Directors. 3. The Audit Committee shall appoint a chairman from among its members who must be an independent director. In the absence of the chairman, the oldest independent director shall chair the meeting. The chairman's term of office shall be a maximum of four years, and he or she may be re-elected after a period of one year has elapsed since leaving office. The secretary of the Board of Directors, and in his or her absence the deputy secretary of the Board of Directors, will act as secretary. Minutes shall be taken of the resolutions adopted at each meeting, which shall be reported to the Board in plenary session. 4. The Audit Committee shall meet periodically as required and at least four times a year. One meeting must necessarily be devoted to evaluating the efficiency of, and compliance with, the Company's rules and procedures of governance and preparing the information that the Board of Directors must approve and include in its annual public documentation. It will be convened by the chairman, who must call the meeting at the behest of the chairman of the Board of Directors or of two members of the Committee itself. Committee meetings shall be quorate when at least a majority of its members are present or represented. Resolutions shall be adopted by an absolute majority of the members attending the meeting. Voting in writing and without a meeting shall only be permitted when none of the members object to such procedure. 5. Any member of the management team or of the Company's personnel who is required to do so shall be obliged to attend the meetings of the Audit Committee and to cooperate with it and provide it with the information available to that member. The Committee may also request the auditor's attendance at the meetings. 6. To better discharge its duties, the Audit and Compliance Committee may seek the advice of external professionals, whose engagement shall be up to the Board of Directors. The Board may not refuse the engagement without a reasoned explanation based on the Company’s interests."

MAIN ACTIONS IN 2023:

- Evaluating and reporting to the Board of Directors on the budget for the year and monitoring budget compliance.
- Monitoring the Company’s and Group's financial and cash position throughout the year.
- Supervising and analysing interim (quarterly and half-yearly) and annual financial information for approval and presentation to the markets and their supervisory bodies.
- Knowing the external auditor's engagement plan and findings.
- Reviewing the economic terms and conditions of the engagement of the audit firm of the Company's and Group's financial statements.
- Analysing the external auditor's independence and reviewing compliance with requirements regarding conflicts of interest established in Spanish Audit Law 22/2015, of 20 July, considering such independence to be demonstrated.
- Approving non-audit services provided by the external auditor to the Company or Group subsidiaries, previously reported by the General Economic and Financial Department with respect to their nature, circumstances and amounts.
- Selecting and appointment the Chief Audit Executive, who reports functionally to the Chairman of the Committee.
- Analysing and reviewing the reports by Internal Audit during the year, their outcome, conclusions and, where applicable, recommendations to Company management.
- Reviewing and approving the Internal Audit Department’s Annual Report and the Annual Internal Audit Plan, including the budget for the year.
- Reviewing and approving the Compliance Department’s Annual Report and the Compliance Department’s Annual Plan, including the budget for the year.
- Analysing and processing complaints reported by the Compliance Department received through the Ethics Channel, and the actions and steps taken relative to each.
- Following up on the investigations coordinated by the Compliance Department at the request of the Committee itself.
- Monitoring the actions taken under the framework of the anti-money-laundering and terrorist financing system implemented in the Group companies required to do so because of their business or because of local laws.
- Supervising the work plan drawn up for renewing ISO 37001 certification (anti-bribery management systems) and UNE 19601 certification (criminal risk compliance management system).
- Reviewing the adequacy and room for improvement of the Competency Model in various geographies.
- Reviewing and approving the Risk and Internal Control Department’s Annual Report and Annual Plan, including the budget for the year.
- Updating the Risk Map and OHLA Group's financial and non-financial risks.
- Reviewing and approving the tax report for the year and the tax policies applied.
- Reviewing the steps and processes of the Group's Internal Control over Financial Reporting (ICFR) system during the year.

- Analysing the Group's related party transactions.
- Monitoring the implementation of the corporate restructuring (Hive Down) agreed under the framework of the Group's financial refinancing with its main bank creditors on 25 June 2021. The process was completed in 2023.
- Performing the Committee's annual self-assessment.
- Preparing the Committee's annual activity report

C.2.1. NOMINATION AND REMUNERATION COMMITTEE.

FUNCTIONS, RULES AND PROCEDURES FOR THE ORGANISATION AND FUNCTIONING OF THE NOMINATION AND REMUNERATION COMMITTEE:
The functions, rules and procedures for the organisation and functioning of the committee are set out in Article 16 of the Regulations of the Board of Directors: "Article 16. Nomination and Remuneration Committee. 1. The Board of Directors shall designate from among its members a Nomination and Remuneration Committee. The number of members of the Appointments and Remuneration Committee shall not be less than three or more than seven, and shall be determined by the Board of Directors. All Nomination and Remuneration Committee members must be directors who are not executives of the Company and do not have a contractual relationship other than that by which they are appointed, and at least two of them shall be independent. Efforts shall be made to appoint members with the appropriate knowledge, skills and experience to discharge their responsibilities. The chairman of the Nomination and Remuneration Committee shall be appointed from among the independent directors who are members. The Nomination and Remuneration Committee shall have the powers and be governed by the rules of operation set out below. 2. Without prejudice to any other functions assigned by law, the Bylaws or the Board, the Nomination and Remuneration Committee shall have at least the following functions: a) Evaluating the competencies, knowledge and experience necessary for the Board of Directors. For this purpose, it shall define the functions and skills required for candidates to cover each vacancy and shall evaluate the time and dedication necessary to perform their duties effectively; b) Setting a target for representation for the least represented gender on the Board, and drawing up guidelines on how to achieve this objective; c) Submitting to the Board of Directors proposals for the appointment of independent directors for their nomination by co-option or for their submission to the Annual General Meeting decision, in addition to proposals for the re-election or dismissal of said directors by the Annual General Meeting; d) Informing of any proposals for appointment of all other directors for nomination by co-option or for their submission to the Annual General Meeting's decision, in addition to proposals for the re-election ore dismissal of said directors by the Annual General Meeting; e) Proposing to the Board the members that must form part of each Committee; f) Reporting the proposals for appointment and removal of senior executives and the basic conditions of their contracts; g) Examining and organising the succession of the chairman of the Board of Directors and the Company's chief executive and, if necessary, submitting proposals to the Board of Directors for such succession to occur in an orderly and planned manner; h) Proposing to the Board of Directors the remuneration policy for directors and general managers or those who carry out their senior management functions reporting directly to the Board, Executive Committees or Chief Executive Officers, as well as the individual remuneration and other contractual conditions of executive directors and the criteria for the rest of the Group's senior management, ensuring that they are observed; i) Reviewing, periodically, the remuneration programmes, assessing their suitability and performance; j) Monitoring remuneration transparency; k) Reporting on transactions that give rise or may give rise to a conflict of interest and, in general, on the matters included in chapter IX of these Regulations; l) Considering suggestions made to the chairman by members of the Board, senior executives or the Company's shareholders; ll) Reporting to the plenary session of the Board on the proposal of appointment and removal of the Board of Directors' Secretary and Deputy Secretary; m) Reporting, annually, to the plenary session of the Board on the evaluation of the chairman of the Board's performance; n) Evaluating and reviewing, periodically, the Company's environmental and social performance with a view to reviewing the effectiveness of the sustainability policy, and compliance with related objectives, reporting annually to the Board on the implementation and monitoring of that policy in the Group; o) Reviewing the regulations and practices of the Company relating to corporate governance, by proposing any amendments it deems appropriate so that they are in line with the standards, recommendations and best practices in this matter; p) Reviewing, periodically, the remuneration policy applied to directors and senior executives, including share-based remuneration schemes and their implementation, as well as ensuring that individual remuneration is proportionate to amounts paid to other of the Company's directors and senior executives; q) Overseeing that any conflicts of interest do not damage the independence of external advice provided to the Committee; and r) Verifying the information on director and senior executive remuneration contained in the various corporate documents, including the Annual Report on Director Remuneration. 3. The Nomination and Remuneration Committee shall meet whenever the Board or its chairman requests that a report be issued or a proposal be adopted and, in any case, whenever it is deemed necessary for the proper performance of its functions. In any case, it shall meet to draw up the specific report on the Company's proposed remuneration policy to be submitted to the General Meeting. Independently of this, it shall meet at least three times a year. One of these meetings shall be devoted to determining the director remuneration that the Board of Directors must approve by implementing the Company's remuneration policy, and preparing the information to be included in the annual public documentation. It will be convened by the chairman, who must call the meeting at the behest of the chairman of the Board of Directors or of any member of the Committee itself. 4. The Committee shall appoint a chairman from among its members who must be an independent director. In the absence of the chairman, the oldest independent director shall chair the meeting. The secretary of the Board of Directors, and in his or her absence the deputy secretary of the Board of Directors, will act as secretary. Minutes shall be taken of the resolutions adopted at each meeting, which shall be reported to the Board in plenary session. 5. Any member of the management team or of the Company's personnel who is required to do so shall be obliged to attend the meetings of the Committee and to cooperate with it and provide it with the information available to that member. The Committee may also request the auditor's attendance at the meetings. 6. To better discharge its functions, the Nomination and Remuneration Committee may seek the advice of external professionals, to which end the provisions of Article 26 of these Regulations shall apply".

MAIN ACTIONS IN 2023:

- Evaluating the composition of the Board and Board committees.
- Proposing and reporting on the re-election and appointment of external independent directors to the Board of Directors, and evaluating their profile, skills and suitability for the performance of their directorship.
- Analysing and reporting on the termination of the Chief Executive Officer's contract and his settlement.

- Informing the Board of Directors about the terms of the Executive Directors' contracts and their objectives.
- Reviewing the factors for distributing the maximum annual remuneration approved by the General Meeting for external directors and reporting favourably on a new distribution scheme for 2023 and subsequent periods.
- Reporting on the proposed amendments to the Director Remuneration Policy, which were subsequently approved at the General Shareholders' Meeting held on 30 June 2023.
- Analysing and reporting to the Board of Directors on the proposal for variable remuneration of Executive Directors, proposing the objectives and assessing their level of achievement.
- Informing the Board of Directors about the 2022 Annual Report on Director Remuneration, verifying that the current Remuneration Policy was applied correctly.
- Analysing and reporting to the Board of Directors on the variable remuneration accrued by OHLA Group key management personnel.
- Analysing the degree of compliance with the Global Reporting Initiative (GRI) sustainability standards and the implementation of the 2022-2024 Strategic Sustainability Plan. Review the non-financial information and its inclusion in the Group's consolidated management report for its authorisation for issue by the Board of Directors.
- Informing about the proposed amendments to the Regulations of the Board of Directors agreed during the year.
- Performing the Committee's annual self-assessment.
- Verifying compliance with the Director Selection Policy.
- Approving the Committee's annual activity report.

E.3 INDICATE THE MAIN RISKS THAT MAY AFFECT THE ACHIEVEMENT OF BUSINESS OBJECTIVES.

The main risks that could affect the achievement of OHLA's objectives are as follows:

- Financial risks: These are risks associated mainly with the Group's ability to raise the necessary financing when required and at a reasonable cost, and to maximise its available financial resources. The most important are interest rate, exchange rate, credit and liquidity risks. It also includes risks related to obligations assumed with noteholders and financial institutions, and access to guarantees. OHLA Group has several committees to appropriately manage these risks.

- Personnel risk: Personnel risk relates to the organisation's ability to attract the right people and to detect, retain, develop and utilise internal talent in the right way and at the right time. OHLA Group has designed new retention and incentive packages, targeting digital talent to streamline processes and data analytics. International workshops were held to encourage cooperation and promote internal talent retention. Meanwhile, the teleworking model was revamped, the competency-based appraisal model was extended to new groups of employees to foster the development of their skills, and voluntary departures were tracked closely, especially for employees considered high performers. Nevertheless, the lack of talent is a challenge all industries are facing and there are no indications this will improve in the short term.

- Price volatility and resource scarcity risks: OHLA Group is exposed to the risk of shortages of human resources, subcontractors and suppliers, and certain products in its footprint markets. Moreover, price volatility of certain cost components, such as raw materials (e.g. bitumen, steel), and energy prices affect the costs of the main supplies of goods and services the Group requires to carry on its operations. There might also be shortages or logistics disruptions that could cause delays in deliveries or the provision of goods and services. Inflation eased in virtually all OHLA Group's markets of operations in 2023. Nevertheless, the Group continues to monitor prices closely to achieve the right level of contingencies included in projects and estimates of cost trends for long-term projects. Efforts are being made to maximise the opportunities to raise prices offered by some administrations in different countries. In addition, industry-wise work is ongoing with the highest level of governmental representation by introducing more cutting-edge tendering models that promote a more just sharing of risks. This is all still highly relevant in the light of the new sources of instability described below.

- Geopolitical, macroeconomic and market risks: Political unrest or changes in the legal and regulatory environment in countries where OHLA operates or wishes to operate can have significant impacts on the Company's ability to achieve its business objectives. Therefore, OHLA Group monitors country risk closely in its domestic (home) markets, as well as areas into which it might expand. It focuses its business on geographic areas considered stable and in which it has a stable presence and teams so that it can put mitigating measures in place for those risks, while looking at possibly expanding the business into other markets with bright business opportunities only after a thorough risk assessment. In 2023, in the light of heightened geopolitical instability with the war in Gaza, tension in the Red Sea and Persian Gulf, the lingering effects of the war in Ukraine, and the detection of new markets of interest, OHLA updated its country risk assessment criteria and the related approval scheme. These new sources of instability can have a material adverse impact on transport and hydrocarbon prices, and pose a threat to supply chains for certain materials and equipment.

- Project risk: Because of its activity, OHLA is inherently exposed to the risk of potential failure to meet deadlines, cost over-runs, deviations in cash flows or project quality, or breach of contractual terms and conditions by the parties involved. To mitigate this risk, it is a key priority for OHLA to permanently monitor its projects from a technical and economic standpoint, and to analyse their status so that the necessary steps can be taken to correct any deviation, as well as to make its contractual management more robust and improve its project management capabilities by introduction lean methodologies (Last Planner Method). In addition, in 2023 it implemented new rules and procedures to standardise project management and project risk management based on the know-how acquired and best market practices. Moreover, in line with its digitalisation and new technologies drive, the Group is monitoring ongoing projects more efficiently, and identifying and pre-empting underlying risks.

- Image and reputational risk: Image and reputational risks include situations that can affect OHLA's credibility in terms of financial solvency, and technical, operational, ethical, social and environmental standing with stakeholders. Included are risks of lax management, a smear campaign or manipulation of information by the media, lobbyists, former employees or other stakeholders where the allegations are not consistent with any wrongdoing by the organisation. OHLA has an unwavering commitment to abiding by the law and complying with the leading standards in codes of conduct, which has led to considerable and meaningful improvement in its image and reputation. The objective is to minimise the possibility of inappropriate actions by employees. Therefore, it has put a Compliance System in place that determines the necessary control measures to prevent crimes from being committed. OHLA and various Group companies have ISO 37001 (Anti-Bribery Management System) and UNE 19601 (Management System for Criminal Compliance) certification, which is a testament to the Group's commitment to fostering an ethical and compliance culture. As a cornerstone of this Compliance System, OHLA has a Code of Ethics, which is mandatory for all persons in the organisation, along with an Internal Whistleblowing System, designed in accordance with the requirements of Spain's Whistleblowing Act (Law 2/2023 of 20 February), which is available to its employees and/or stakeholders. There are also strict procedures for governing business relationships with third parties. Moreover, the Company actively manages its reputation, an intangible asset that develops over times and that has enormous value for the wide society and for its stakeholders.

• Systems and cybersecurity risk: Market and business trends, with continuous and rapid changes, require systems that enable the Group to obtain the information it needs and be able to analyse it quickly and adapt accordingly. This, in turn, requires working with agile methodologies that minimise the time needed to adapt systems or implement new functionalities. It is important to ensure that the technologies used in the business support current and future operational requirements. Meanwhile, OHLA, like any other company, is exposed to the widespread increase in the risk of cybercrimes and potential misuse of information or breaches of personal data, which could compromise the security and the operations of the Company's assets and the ordinary course of business, and cause leaks of sensitive information. In addition to implementing measures to deal with cybersecurity risks, OHLA analyses all the Group's systems to improve the efficiency of information and the adequate support of its operations, while at the same time keeping close track of the market to find the most innovative solutions. In 2023, a decision was taken, for instance, to renovate the systems of the Czech Republic subsidiary and launch a new initiative to upgrade the construction management systems. This came in addition to new business intelligence projects to enhance decision-making based on management indicators.

• Litigation and arbitration risk: There is also a possibility of disputes with third parties. However, there are signs that litigation in the industry has increased in recent years. Lawsuits and arbitration proceedings are costly and the outcome of disputes with customers, partners, suppliers or other third parties can go against OHLA's interests. Therefore, lawsuits and arbitration proceedings are monitored continuously to defend its rights. In addition, OHLA continues to work on strengthening the contractual, risk and document management of projects to claim its rights in the event of potential breaches by third parties, prevent disputes from escalating and mitigate their consequences if they not arise.

• Risk of measurement of assets and the statement of financial position: understood as the risk of a decrease in the value of assets or an increase in the value of liabilities.

• Risk of climate change and natural disasters: OHLA has a direct impact on the environment, e.g., through its consumption of natural resources and energy, and also an indirect impact. It is fair to say that there are two types of climate change risks that impact the achievement of OHLA’s objectives:

- Physical risks, which are those arising from the increasing severity and frequency of extreme weather events or from a gradual and long-term change in the Earth's climate. These risks can affect businesses directly through damage to assets or infrastructure, or indirectly by disrupting their operations or making their activities no longer viable.

- Transition risks, meaning those risks associated with the transition to a low-carbon economy in response to climate change, arising from changes in legislation, the market, or consumers, among others, to mitigate and address the requirements of climate change.

OHLA has an environmental management strategy focused on the responsible use of natural resources, the circular economy, the protection and conservation of biodiversity and the fight against climate change. It is certified annually by a third party in accordance with the ISO 14001 standard. In addition to this responsible behaviour and to protect itself from natural disasters, OHLA has arranged the necessary insurance coverage, ensures contractual management with customers and has a local presence in all the countries where it operates. OHLA follows the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure), which focus on four areas: governance, strategy, risk management, and metrics and targets.

• Risks of human rights abuses: The company has a set of internal regulations, including the Human Rights Policy and the Code of Ethics. Stakeholders such as employees, suppliers or the local community can report human rights abuses through the Code of Ethics. Regular training is provided and assessments are carried out regularly in this area. Meanwhile, the Internal Audit Directorate includes assessment of compliance in its audit plans. All suppliers must show compliance with the Ten Principles of the Global Compact before they can be approved.

E.5 INDICATE WHICH RISKS HAVE MATERIALISED DURING THE YEAR.

The main risks in 2023 were:

1. Litigation and arbitration risk.

In October 2020, Concession operator Cercanías Móstoles Navalcarnero, S.A. filed a further administrative claim to recover EUR 53.5 million from the Madrid regional government (CAM) in respect of additional construction work requested by the government outside the scope of the concession contract. The claim was rejected by "administrative silence", resulting in an appeal to the Madrid High Court for judicial review (PO 1529/21), which rejected it on 22 November 2023. An administrative appeal against this rejection was then lodged. According to the Company's external

legal advisors, the chances of the appeal being successful are reasonable since its subject matter can be deemed to meet the requirements of interest for the court of appeals. The main point here is that according to the judgment under appeal, the works for which payment is claimed were considered proven.
The investment was written down entirely, leaving its carrying amount at EUR 0 (see Note 3.4 to the consolidated financial statements) even though the Parent's directors consider, based on external legal opinions, that there is a probability that the appeal will be successful and, consequently, that the financial assets will be recovered.

In addition, after the sale in April 2018 of its OHL Concesiones subsidiary to IFM Group, OHLA Group has been involved in several arbitration proceedings with concession operators belonging to the Aleática Group (formerly OHL Concesiones), in its capacity as builder. For instance:

i. On 24 November 2022, OHLA was sued by Aleatica, S.A., which claimed USD 62.7 million (EUR 56.7 million) or subsidiarily USD 53.5 million (EUR 48.4 million) related to a receivables assignment agreement entered into on 28 September 2016 between OHL and OHL Concesiones S.A.U. (former name of Aleatica, S.A.) under which OHL assigned to Aleatica a receivable from Autopista del Norte, S.A.C. (a Peruvian subsidiary of Aleatica) arising from the Red Vial 4 construction contract. The Group has rejected the claim.

ii. The Group was party to an arbitration proceeding initiated by Autopista Rio Magdalena, S.A. (a company of the Aleática Group, formerly OHL Concesiones) to resolve disputes arising from the contract for construction of the Rio Magdalena Highway (Colombia) that led to early termination of the contract in April 2019. Here, the Group sought damages of COP 313,769 million (EUR 73.4 million), while Autopista Rio Magdalena claimed COP 1,149,659 million (EUR 269 million). In connection with this arbitration proceeding, Autopista Rio Magdalena has sued the surety companies in the courts, claiming COP 127,719 million (EUR 29.9 million) in advance payments and COP 164,513 million (EUR 38.5 million) in performance bonds. The Group is involved in the proceedings as a joint claimant and guarantor. These amounts are also claimed by Autopista Rio Magdalena in the arbitration proceeding described at the beginning of this section.

On 13 October 2023, the Arbitration Court issued a ruling in which it ordered the Group to pay COP 124,910 million (EUR 29.2 million) plus interest.

To close these mutual claims and other minor claims made by IFM related to compensation over the sale of OHL Concesiones, OHLA Group reached an agreement with Aleática (formerly OHL Concesiones S.L) and IFM on the terms and conditions summarised as follows:

i. Regarding the agreement of Autopista del Norte, it agreed a total payment of EUR 38.0 million, with EUR 9.0 million stipulated in the agreement for a claim of compensation related to the sale of OHL Concesiones, and payment of EUR 28.0 million for settlement of the claim related to Autopista del Norte, S.A.C (a Peruvian subsidiary of Aléatica).

These amounts would be paid as follows: an upfront payment of EUR 1.0 million in 2024, EUR 8.5 million no later than 31 March 2026 (or earlier in specific circumstances) and the remaining EUR 28.5 million on 31 March 2030. The final payment is without any accrued interest. The amount is recognised under "Other non-current liabilities" in the Group's statement of financial position as at 31 December 2023.

Failure to meet any payment obligation will trigger late payment interest of 10.0% from that moment.

ii. Regarding the arbitration proceeding with Autopista Rio Magdalena, S.A., an agreement was reached for payment of EUR 36.5 million, with an initial payment of EUR 2.0 million in 2024 and the remaining EUR 34.5 million through annual payments of at least EUR 5.0 million from 2026 the final payment on 31 January 2029. Those EUR 36.5 million bear annual interest ranging from 5.0% to 8.0% as of 1 February 2024. The amount is recognised primarily under "Other non-current liabilities" in the Group's statement of financial position as at 31 December 2023.

This agreement had a positive net impact of EUR 2 million on the Group's statement of profit or loss for the year ended 31 December 2023. The agreement also provides for the possibility of early payments by OHLA Group with any proceeds it obtains from other arbitration proceedings, specifically the arbitrations with Algeria (EUR 17.5 million), PEMEX (EUR 7.7 million) and CFE (EUR 12.3 million).

2. Liquidity risk.

In 2021, the Group carried out a major financial restructuring, with the process improving its financial leverage and, accordingly, its ability to service its debt. Gross debt from the Group's notes fell from EUR 592,888 thousand to EUR 487,267 thousand; i.e. a total reduction of EUR 105,621 thousand or 17.8%.

After that, additional steps were taken to strengthen and bolster the liquidity position and further reduce debt in line with the commitments assumed with the Group's financial creditors through disposals (Old War Office Project; Hospital de Toledo S.A. and Mantholedo S.A.U.; and Aguas de Navarra S.A. and its operator in 2021) and other relevant amounts received (Cercanías Móstoles Navalcarnero in 2021 and 2022).

As a result, al 31 December 2023 gross debt from the Group’s Notes stood at EUR 412,209 thousand (nominal), with a reduction from the pre-restructuring period of 30.5%.

OHLA's credit rating in July 2021 was Caa1, outlook positive, and in March 2022 its corporate family rating (CFR) was upgraded to B3, stable outlook, where it stands now. The rating on OHL Operaciones S.A.U.'s notes issue was upgraded from Caa2 to B3.

Even with its improved solvency, the Company has yet to recover the working capital financing instruments needed to run the business properly. Against this backdrop, the Group's directors continue strict monitoring of the liquidity position, focusing especially on cash flow generation from the businesses and improvement of working capital.

The 2024 business plan includes aspects that could give rise to uncertainties regarding its execution and, therefore, result in deviations (e.g. lower-than-expected order intake, unexpected working capital shortfalls, large amount of restricted cash), not to mention the impact on business performance that could arise from the ongoing conflicts around the world, which are posing a threat of higher energy and transport prices and causing a lack of security in supply chains which, coupled with occasional liquidity stress due to the seasonality of the business, could have an impact on OHLA Group's forecasts for 2024.

To shore up liquidity and continue reducing debt, the Group continues to carry out the following:

i. Working with banks to secure the release of part of its restricted cash, which at 31 December 2023 amounted to EUR 173,981 thousand. These are restricted deposits primarily securing the Multiproduct Syndicated Facilities (MSF) agreement.

ii. Disposing of the Services activity (see Note 3.6 to the consolidated financial statements), with part of the proceeds obtained going to cancel the bridge loan (ICO) and the remainder to fund current operations.

iii. Actively managing the sale of the stake in Centre Hospitalier de l'Université de Montréal (CHUM carrying out the statutory audit of the consolidated accounts) (see Note 3.6 to the consolidated financial statements), using the proceeds primarily to cancel debt.

iv. Assessing potential additional disposals, e.g. by exploring the market in the case of the Canalejas Project, although a firm decision has yet to be taken in this respect.

The Group's liquidity position as at 31 December 2023, comprising cash and cash equivalents and current financial assets, stood at EUR 814,888 thousand (2022: EUR 701,687 thousand), broken down as follows:

- Cash and cash equivalents of EUR 596,640 thousand (2022: EUR 469,311 thousand), which included EUR 274,758 thousand related to the Group's interests in temporary business associations or joint ventures (UTEs) (2022: EUR 185,796 thousand). There is also restricted cash amounting to EUR 2,348 thousand related to other guarantees (2022: EUR 2,934 thousand).

- Current financial assets of EUR 218,248 thousand (2022: EUR 232,376 thousand), which include restricted assets pledged as security for EUR 173,981 thousand (2022: EUR 176,237 thousand), the main item of which is a deposit for EUR 140,000 thousand as collateral for the Multiproduct Syndicated Facilities agreement. Also included under this item are EUR 27,403 thousand as performance bonds for certain projects being carried out in the US (2022: EUR 43,885 thousand).

The Group also has drawable credit lines and discount facilities amounting to EUR 37,571 thousand (2022: EUR 41,245 thousand), featuring the Judlau Contracting, Inc. credit line with a limit of EUR 81,448 thousand and a sub-limit of EUR 40,724 thousand of guarantees signed on 28 June 2022.

There is also the EUR 40,000 facility in the bridge financing loan backed by the ICO signed in May 2023, which had been drawn down in full as at 31 December 2023.

Interest-bearing loans and borrowings maturing within 12 months amount to EUR 102,356 thousand.

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

The Group held an ownership interest of 50.0% in the Canalejas project at 31 December 2023, with a carrying amount of EUR 127,597 thousand. It also held a receivable for the subordinated debt of EUR 57,653 thousand recognised as a non-financial asset under other loans.

In 2023, it recognised an increase in the investment and impairment for the same amount of EUR 7,140 thousand. The valuation adjustment was based on an estimate of expected cash flows to be received in accordance with the project's economic model considering the agreements entered into with the other shareholder. The higher investments and costs incurred, coupled with the project's lower profitability arising mostly from the delay in the stabilisation of the assets, affected among other reasons by the adverse macroeconomic landscape and the negative trend in the Russia-Ukraine and Gaza armed conflicts, made it necessary to recognise this write-down.

In determining the value in use of the Group's interest in the Canalejas Project, a discounted cash flow model was used for the various uses of the asset (hotel, shopping centre and car park), with the complex now in set to reach the stabilisation stage by 2026 and then obtaining a residual value based on the capitalisation of rents.

By asset, the hotel is still in the stabilisation stage, positioning itself correctly as a benchmark in the luxury segment in Madrid, with occupancy and ADRs (Average Daily Rates) at levels of other luxury hotels operated by Four Seasons elsewhere in European capital cities.

As for the shopping centre, highlights includes the openings on the ground floor of Armani, Jil Sander and Dior, with Dior also having a premise on the first floor.
In addition to Dior, the first floor featured the opening of Steffano Ricci. These shops come in addition to the other brands in the centre, all of which are key players in the luxury sector: Aquazzura, Cartier, Hermés, Jimmy Choo, Louis

Vuitton, Omega, Rolex, Saint Laurent, Valentino, Zegna and Isolée. Despite these noteworthy opening in 2023, there were delays in marketing in the first floor and in opening of some premises. Occupancy of gross leasable area (GLA) is expected to reach maximum levels over the course of 2024, considering structural vacancies, with rents measured/m2/month in line with prime areas in Madrid where the asset is located.

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

The macroeconomic landscape described did not preclude the plans for developing a luxury hotel in Madrid from going ahead, specifically in the Alcalá/Gran Via/Canalejas axis, where several major hotel establishments are set to open, which will cement the area's status as a luxury tourist centre.

F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information: CODE OF CONDUCT, THE BODY APPROVING THIS, DEGREE OF DISSEMINATION AND INSTRUCTION, PRINCIPLES AND VALUES COVERED (STATING WHETHER THERE IS SPECIFIC MENTION OF RECORD KEEPING AND PREPARATION OF FINANCIAL INFORMATION), BODY CHARGED WITH ANALYSING BREACHES AND PROPOSING CORRECTIVE ACTIONS AND SANCTIONS.

CODE OF CONDUCT, APPROVING BODY AND DATE OF UPDATE.

OHLA Group has a Code of Ethics approved by the Board of Directors that expressly states its values, principles and conduct guidelines that must guide the professional behaviour of everyone in the Group. The Code applies to all members of the Board of Directors, executive staff and all Group employees.

It will remain in force until the Board of Directors decides not to approve its update, review or repeal. Any alleged breach of the Code shall be investigated and could result in legal or disciplinary proceedings.

ANTI-CORRUPTION POLICY, CRIME PREVENTION POLICY AND ANTITRUST COMPLIANCE POLICY

OHLA Group has a compliance system designed to prevent, detect and effectively combat crimes within the organisation. This system undergoes constant updating so it is adapted to organisational and legislative changes. Since 2019, it has been subject to annual external audits of its ISO 37001 Anti-corruption Management System and UNE 19601 Criminal Compliance Management System certifications. In 2023, both certifications of the Group's compliance system were renewed.

As a show of the commitment enshrined in the Code of Ethics to combat corruption and bribery anywhere in the world, the Group has an Anti-corruption Policy that applies to all OHLA people and articulates its zero tolerance stance on corruption in any form. In line with the specific commitment undertaken in the Code of Ethics to promote and supervise the policy for preventing and detecting criminal behaviour, OHLA has a Crime Prevention Policy.

OHLA Group also has an Antitrust programme designed in accordance with the requirements of the guidelines issued by the Spanish National Markets and Competition Commission (Comisión Nacional de los Mercados y la Competencia or CNMC), the core principle of which is the Antitrust Compliance Policy. This policy reinforces OHLA's firm commitment to ensuring free competition in the marketplace and that all its personnel abide by constitutional principles, laws and other regulations of competition law.

PRINCIPLE ON INFORMATION TRANSPARENCY AND ACCURACY

The Code of Ethics is the main channel for developing the Group’s corporate values:

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

Based on the core principle of behaviour required of all the Group's personnel of respect for the law, a key guideline of conduct in the relationship with the market is information transparency and accuracy.

In this vein, the Code of Ethics specifies that: “OHLA undertakes to transmit complete and truthful information on Group companies that allows shareholders, analysts and other stakeholders to reach an objective opinion on the Group. Similarly, OHLA undertakes to cooperate with the supervisory or inspection bodies or entities in any way it may be required to facilitate administrative oversight. The Group’s employees shall ensure that all financially significant transactions carried out on the Company's behalf are included clearly and accurately in the appropriate accounting records, so as to present fairly the transactions carried out. Accounting principles and standards must be followed strictly, preparing complete and accurate financial reports. Suitable internal procedures and controls must be implemented to ensure that financial and accounting reporting complies with the law, regulations and the requirements arising from the Group's listing on the stock markets. Any conduct aimed at avoiding tax obligations or obtaining profit at the expense of the tax authorities, the social security system or similar bodies is expressly forbidden.”

AUDIT COMMITTEE

Article 23 f.10) of OBRASCÓN HUARTE LAIN, S.A.'s Articles of Incorporation include as a responsibility of the Audit Committee:

“Examine compliance with the Internal Rules of Conduct in Securities Markets, the Regulations of the Board of Directors, the Regulations of the General Shareholders' Meeting, the Code of Ethics of OHLA Group and, in general, the Company’s rules of governance, and make the required proposals for improving them.”

The Group's Code of Ethics itself states that “any doubt, criticism or suggestion aimed at improvement must be made known to the Audit and Compliance Committee, which is the competent body for ensuring compliance with the Code and to promote both its dissemination and specific training for its correct application”.

CORPORATE COMPLIANCE DEPARTMENT

Given its importance, it should be noted that the Company has had a Corporate Compliance Department since 2013, created pursuant to an agreement by the Board of Directors of OBRASCÓN HUARTE LAIN, S.A. based on a recommendation by the Audit Committee. The Compliance Department falls under the Secretary of the Board of Directors and reports to the Audit Committee.

The main functions of this department, according to its Basic Functions Handbook, are as follows:

- Identifying legal risks, especially those that arise from the criminal liability of legal persons or entail reputational risks or infringe on free market competition.
- Promoting implementation of the processes necessary to avoid legal breaches related to criminal or reputational, or antitrust risks, and minimising the cases of criminal liability at the Company, thereby actively contributing to preventing, detecting and stopping criminal or anti-competitive behaviour.
- Promoting a clear organisational culture, shared by all Group employees at all levels, that helps avoid conduct that could give rise to any criminal liability or anti-competitive sanctions on the Company, its executives and directors.
- Overseeing the correct application of the Crime Prevention and Antitrust compliance programme.
- Establishing, in an objective and demonstrable manner, control and oversight measures aimed at avoiding this conduct by employees, at all levels, and proposing the disciplinary measures that would be taken if this conduct were to take place.
- Ensuring that there is a Set of Rules, Policies and Regulations that reasonably guarantee the reliability of the financial information, and compliance with the laws, regulations and policies that apply to the Group.
- Informing, periodically, the Secretary of the Board and the Audit Committee on execution of the Annual Action Plan with regard to its management and the actions carried out in the areas of Crime Prevention and Antitrust.
- Establishing measures to prevent criminal acts in the following areas:

-Anti-corruption: crimes of private corruption, bribery and corruption in international trade transactions.
-Antitrust: any act that infringes on free market competition, by disseminating the values and principles of the Compliance Policy and Guidelines regarding competition and, therefore, the Antitrust Compliance Programme.
-Cybercrimes: hacking crimes, disclosure of trade secrets and similar offences.
-Control over the preparation of financial information: investor fraud crimes.
-Market abuse and share price manipulation.
-Non-compliance with Spain's Personal Data Protection Law (Ley Orgánica de Protección de Datos or "LOPD") and the privacy protection regulations.
-Anti-money laundering.
-Fraud to obtain government grants and aid.
-Offences against natural resources and the environment.
-Workplace harassment.

- Enforcing the Code of Ethics and proposing modifications to adapt to amendments to the legal framework prevailing at any given time, ensuring the dissemination and awareness of the Code within the Group.
- Proposing the approval of the internal regulations implementing the Code of Ethics, which include a disciplinary system for breaches.

- Processing complaints received via the Ethics Channel.
- Promoting and overseeing activities to raise awareness about the Code of Ethics and understanding the Group's crime prevention and antitrust control system.

COMMUNICATION, DISTRIBUTION AND TRAINING PLAN ON THE CODE OF ETHICS, THE ANTI-CORRUPTION POLICY, THE CRIME PREVENTION POLICY AND THE ANTITRUST COMPLIANCE POLICY.

Everyone at OHLA Group must know and understand the content of the Code of Ethics. To promote knowledge of the Code, the Group carries out a variety of communication, training and dissemination initiatives.

The main initiatives include:

- Making the Code of Ethics available on the corporate Intranet and OHLA Group's website (path: https://www.ohla-group.com/en/ethics-and- integrity-2 https://www.ohla-group.com/etica-eintegridad/politicas/)) in Spanish and English.

- Including an additional clause in work contracts requiring knowledge of, understanding and compliance with the Code of Ethics, the Anti-corruption Policy, the Crime Prevention Policy and the Antitrust Compliance Policy.

- Designing specific training and communication actions for all Group personnel.

- Disclosing the Code to relevant third parties: commercial agreements between OHLA Group and third parties include clauses mentioning the existence of OHLA Group's Code of Ethics, Anti-Corruption Policy, Crime Prevention Policy and Antitrust Compliance Policy and the obligation to comply with them in the provision of services to OHLA Group.

Training on the Code of Ethics, Anti-Corruption Policy, Crime Prevention Policy and Antitrust Compliance Policy is compulsory. Therefore, specific training was provided in 2023 through the OHLA School on:

- Code of Ethics and Anti-corruption Policy (CEAP): a total of 1,584 employees received training.
- Crime Prevention System (CPS): a total of 324 employees received training.
- Antitrust: a total of 1,052 employees received training.

The Corporate Resources Department is responsible for distributing and raising awareness about the Code of Ethics, the Anti-Corruption Policy, the Crime Prevention Policy and the Antitrust Compliance Policy, while the Group's Internal Audit Department is tasked with oversight.

Following a multi-year rotation plan, the Audit Committee receives a report from OHLA Group's Internal Audit Department on degree of dissemination and training on the Code of Ethics, the Anti-corruption Policy, the Crime Prevention Policy and the Antitrust Compliance Policy.

F.2 ASSESSMENT OF RISKS IN FINANCIAL REPORTING.
F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:
Whether the process exists and is documented.
Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.
The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.
Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements. The governing body within the company that supervises the process.

The strategic objectives regarding risk management and control are geared towards:

- Delivering the Group's strategic and operating objectives.
- Protecting the Group's reputation, safeguarding its legal certainty and ensuring its sustainability.
- Protecting the security of shareholders' equity.
- Mitigating the occurrence of irregularities in relation to the Code of Ethics and fraud in general.
- Protecting the interests of other stakeholders in the organisation's performance.
- Enhancing OHLA Group's level of innovation, competitiveness and trust.

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

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

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

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

Documentation of the processes that may materially affect financial reporting is subject to ongoing monitoring and improvement.

An important part of this monitoring and improvement process is updating the scope of the Internal Control over Financial Reporting System (ICFR system) to determine, within the Group, the relevant companies, and also to identify the significant operating or support processes for such companies and their associated risks. All of this is based on the materiality and risk factors inherent to each division.

This scope is determined based on qualitative and quantitative materiality criteria to identify relevant areas and critical processes with a significant impact on financial reporting, relevant items of the financial statements and of financial information in general, and the most significant transactions, as well as material companies, considering the existing degree of centralisation/decentralisation.

Based on the scope determined at any given time and on the processes involved in generating financial information, risks that may affect the information are identified, covering all financial reporting objectives (existence and occurrence; completeness; valuation; rights and obligations; and submission and reporting) and taking into account the various risk categories described previously to the extent that they affect financial reporting.

The scope of the ICFR system is reviewed at least annually before the financial reporting schedule of subsidiaries is determined, and whenever a new company with a significant impact is included or excluded from the Group's scope of consolidation. In this regard, the Group has a scope of consolidation identification process, whereby the Group's Corporate Economic and Administrative Division updates the scope considering notifications of changes received based on the defined procedure. In 2023, one new company was included within the scope of the ICFR system.

The Group's General Economic and Financial Department is responsible for maintaining the scope and financial information risk identification process, and is also charged with informing external and internal audit of any changes in the scope.

F.5.1 THE ACTIVITIES OF THE AUDIT COMMITTEE IN OVERSEEING ICFR AS WELL AS WHETHER THERE IS AN INTERNAL AUDIT FUNCTION ONE OF THE RESPONSIBILITIES OF WHICH IS TO PROVIDE SUPPORT TO THE COMMITTEE IN ITS TASK OF SUPERVISING THE INTERNAL CONTROL SYSTEM, INCLUDING, ICFR. ADDITIONALLY, DESCRIBE THE SCOPE OF ICFR ASSESSMENT MADE DURING THE YEAR AND THE PROCEDURE THROUGH WHICH THE PERSON RESPONSIBLE PREPARES THE ASSESSMENT REPORTS ON ITS RESULTS, WHETHER THE COMPANY HAS AN ACTION PLAN DESCRIBING POSSIBLE CORRECTIVE MEASURES, AND WHETHER ITS IMPACT ON FINANCIAL REPORTING IS CONSIDERED.

INTERNAL AUDIT DEPARTMENT:

The Board of Directors instigated the creation of the Group's Internal Audit Department. The aim was to have an independent and objective assurance, internal control and consultation service that supported the organisation in effectively discharging its responsibilities, executing its strategy and achieving its objectives.

The Internal Audit Department is part of OHLA Group's organisation, but not an executive body. It operates in accordance with the policies established by the Board of Directors through its Audit Committee.

The Internal Audit Department reports to the Audit Committee and its basic functions, as outlined in the Internal Audit Charter, are as follows:

- Reviewing the accuracy, reliability, quality and completeness of the records and financial, operational and sustainability reporting. This entailed checking the reliability and effectiveness of the internal control and risk management systems and related processes, and, in particular, reviewing the ICFR system and the adequacy of the controls in place.
- Providing information to the Board of Directors, through the Audit Committee, to facilitate its potential assessment regarding the adequate and efficient use of the Group's resources.
- Overseeing that risk management is aligned with OHLA Group's policies and Code of Ethics.
- Verifying the existence and status of assets and checking that the measures to protect their integrity are suitable.
- Verifying that rules, procedures and processes are in place to govern the main activities appropriately and allow for the correct measurement of their economy and efficiency.
- Assessing the degree of compliance with the rules, instructions and procedures established within the Group. This includes verifying compliance with relevant legislation and, specifically, the correct operation of compliance systems in place within the organisation, e.g. the crime prevention system, the anti-corruption system and the antitrust programme.
- Proposing the implementation, amendments, reviews or adaptations of processes and internal regulations that are necessary to improve operations.
- Reviewing OHLA Group's newly issued internal regulations or their amendments before their definitive approval.
- Maintaining coordinated relationships with the work performed by the external auditor as a complementary, and not a subsidiary or substitute, activity.
- Issuing recommendations to help correct anomalies or shortcomings detected in the course of the work and monitoring their implementation.
- Preparing and presenting the proposed Annual Internal Audit Plan and the internal audit activity report to the Audit and Compliance Committee.
- Performing any specific task entrusted to it by the Audit Committee.
- Keeping an up-to-date inventory of fraud risks and the associated controls and testing the effectiveness of those controls on a rotating annual review basis.
- Conducting and coordinating investigations into potential irregularities reported through the Ethics Channel or uncovered during audits.
- Attending as a guest to various internal Group committees' meetings to learn about the activities performed, monitoring recommendations and contributing value.

All these functions are discharged exclusively by the members of the Internal Audit Department and not combined with other duties.

RISK AND INTERNAL CONTROL DEPARTMENT:

The Group has a Risk and Internal Control Department, which reports to the Audit Committee, to promote risk and internal control management. The main functions of this Department were reviewed and approved by OHLA's Board of Directors in May 2023 and are currently being updated in the Group's Functions Handbook:

1. Coordinating, guiding and supporting the strategic, operational, organisational and regulatory actions related to risk management across the entire Group.

2. Reflecting, in the appropriate rules and procedures, the Group's risk tolerance for the various risk categories determined by the Board of Directors.

3. Laying down the methodologies and tools for preparing the Group’s risk map and, through its preparation and updating, leading the process for identifying and assessing the risks to which OHLA is exposed in carrying out its operations. Subsequently monitoring the implementation of the agreed-upon mitigation measures and developments of the risks identified through indicators.

4. Establishing the procedures, methodologies and tools to enable the business line to act at any given time in accordance with the level of risk tolerance determined, offering the necessary support and overseeing their operation. This implies:

- Drawing up, implementing and updating, in conjunction with the various areas, the risk management procedures considered appropriate.
- Performing ad hoc oversight of the analyses carried out by the various areas of the level of risk exposure associated with transactions identified as significant or exceptional, and the mitigation measures implemented by those areas.
- Preparing action proposals that reduce the level of, or exposure to, certain types of risks and minimise their impact.
- Providing the necessary tools and methodologies for controlling and managing project and operational risks, and carrying out training and awareness initiatives within the Group about risk management policies.
- Attending guarantee, procurement and investment committee meetings to ensure that the risk tolerance levels approved by the Group's Board of Directors are not breached.
- Proposing, disseminating, distributing and keeping up to date OHLA Group's ‘red lines’.
- Making available the necessary tools and methodology for conducting third-party due diligence (TPDD) to assess the risks the Group facing in its relationships with third parties (e.g., customers, partners and suppliers/subcontractors).
- Classifying regularly the country risk used by the Group as a reference for carrying out its operations and preparing related reports.

5. Preparing the appropriate reports on OHLA’s risk position to be reported to the Chief Executive Officer, the Audit Committee and/or the Board of Directors of OBRASCON HUARTE LAIN, S.A., and watching the international macroeconomic and geopolitical landscape to anticipate new risks or potential changes in risks already identified.

6. Preparing, documenting and maintaining the Internal Control System, compliance with which by OHLA’s various areas ensures mitigation of the risks inherent to operating and financial and non-financial reporting processes, and ensuring its continuous improvement, and identifying and reporting deficiencies detected.

7. Periodically reporting to the Secretary of the Board and the Audit and Compliance Committee on execution of the Annual Action Plan with regard to its management and on the main risks identified and the monitoring of the mitigation measures put in place.

8. Devising and spearheading initiatives for the assessment and presentation of relevant information for a better understanding of the situation and business trends, with a special focus on implementing early warnings and detecting underlying risks.

To perform these functions better, the Chief Risk and Internal Control Officer chairs OHLA Group's Risk Control Committee, the composition and functions of which were approved by the Board of Directors in May 2023. This committee is composed of representatives from different areas related to control of the various kinds of operational risks. This committee:

1. Aligns the risk management standards, methodologies and criteria for which each area represented is responsible, following guidelines issued by the Risk and Internal Control Department so that their assessments can be represented in a common format at higher levels within the organisation and to other stakeholders.
2. Coordinates the risk identification and mitigation activities of the various areas represented, which each carries out based on their knowledge in the specific field so as to maximise effectiveness in the allocation of time and resources by all the parties involved.
3. Assesses and monitors the main operational risks and the suitability of mitigation mechanisms implemented or recommended, as well as any interactions among them, determining and tracking the necessary indicators to compose a full picture of the organisation's level of exposure.
4. Brings out underlying and emerging risks or those with scant visibility that should be incorporated into the organisation's risk map and associated risk catalogue.
5. Supervises that the risk tolerance levels determined by the Board of Directors are embedded in the rules and procedures of each area represented.

ACTIVITIES OF THE AUDIT AND COMPLIANCE COMMITTEE IN 2023:

The Audit Committee's main function is to serve as support to the Board of Directors in overseeing and supervising the functioning of the Group. Its main duties are to:

-Oversee, periodically, the financial information preparation and presentation process.
-Oversee the effectiveness of internal control, internal audit services and the risk management systems.
-Guarantee the external auditor's independence and ascertain its opinion on the significant weaknesses of the internal control system.

The Audit Committee reviews all public financial information submitted by the Group to the CNMV before its approval by the Board of Directors and after publication and gathers all the explanations it deems fit from the Group's General Economic and Financial Department or from any other responsible party.

At its meetings, it reviews all the reports issued by the Internal Audit Department on the Group's subsidiaries regarding projects executed directly or with non-controlling interests, on investigations of potential irregularities and fraud, and on compliance with internal regulations and any other issue covered by the Annual Internal Audit Plan or requested by the Committee. It also receives and reviews reports issued by the Risk and Internal Control Department on the main weaknesses identified and the proposed recommendations.

The content of the Internal Audit Department's Annual Plan, which is approved annually by the Audit and Compliance Committee, is defined based on OHLA Group's general and specific objectives and the risks that may threaten achievement of those objectives, prioritising matters that require particular attention in each functional area. Therefore, it includes a selection from each area of processes or activities that:

- Are a priority in the Group's strategy and risk management.
- Are associated with the possible existence of contingencies or serious breaches for the Group.
- Have previously given rise to a particular problem or indicate a potential anomaly.
- Form part of significant changes in the year or are newly implemented.
- Have not been audited within a reasonable period of time.
- Are of interest to the Group's Board of Directors or management.

In planning its activities, Internal Audit pays special attention to the Risk Map, considering the possible impact of those risks on the processes.

In 2023, audits were performed in the various divisions covering the following processes:

- Use of DBEs in the US
- Review of internal rules and regulations
- Construction work
- Attainment of indicators and alerts on specific parameters
- Data quality (relevant management data)
- Talent retention and attraction procedures.
- Anti-bribery Management System
- Crime Prevention System
- Internal Control over Financial Reporting (ICFR) system
- Anti-Money Laundering System
- Dissemination of the Code of Ethics and Anti-Corruption Policy.
- On-site Purchases.
- Procedures related with estimated costs in bids and execution.

Although organisation-wide work was also performed in several additional geographical areas, the review of construction/services/ projects was performed in the following countries:

- United States
- Chile
- Spain
- Mexico
- Panama
- Peru
- Sweden

As for oversight the ICFR system in accordance with the multi-year rotation plan, in 2023 the implementation and effectiveness of controls was audited through the review of a sample of controls at companies representing the majority of the Group's revenue. No deficiencies were detected as a result of the work by Internal Audit.

Internal Audit, which has a specialised fraud prevention and investigation unit, also performed actions in this area on an ongoing basis throughout the year.

In 2023, work continued to verify compliance with human rights matters and support for the significant environmental parameters used by the Group in sustainability-related reports.

For all the weaknesses described in the reports prepared, the appropriate corrective measures were taken. Significant recommendations are regularly monitored at Executive Committee meetings.

The actions taken are included in the Annual Internal Audit Report submitted to the Audit Committee.

Internal Audit also oversees the implementation of any new internal policy or regulation, as well as any amendment to existing regulations or policies, ensuring consistency and compliance with policies established by management and the Board of Directors.

The Audit and Compliance Committee promotes improvement of the risk management system, which is one of OHLA's top priorities. Therefore, in 2023, the Corporate Internal Risk and Control Department made inroads into several lines of action, including:

-Implementing the Risk Control Committee.
-Continuing with the implementation and monitoring of life cycle management standards and procedures to reinforce control over the life cycle of projects and optimise their management.
-Coordinating risk management and control in all the Company's operating processes, by unifying criteria, approaches and tools among all areas involved.
-Monitoring ongoing projects more easily and effectively through a unified approach for all Group divisions and/or areas and an early warning system.
-Defining management, macroeconomic and market indicators to objectively monitor the trends in the main risks detected at Group level, and enhancing the effectiveness of the response measures in place.
-Continuing with the implementation of business intelligence tools for adequate data analytics to identify underlying risks and detect trends, and feeding the information into the early warning system.
-Monitoring trends in the risks identified in the 2022 Risk Map.
-Reviewing the methodology for preparing the corporate risk map.
-Updating the country risk classification model and the approval schemes for operating in different markets in the light of the instability in many countries and the prevailing international geopolitical situation.
-Embedding ESG indicators into OHLA's information Systems.
-Assisting with the implementation of lean methodologies in construction management.

In 2024, OHLA will continue to assess the risks and opportunities it faces, proactively taking the necessary steps to mitigate their impact and/or probability of occurrence and implementing an early warning system to enhance the control and management of the Group's risks. It will continue to develop data analytics to assist the Company's strategic decision-making based on historical data and future forecasts.

ADHERENCE TO THE CODE OF GOOD TAX PRACTICES.
The Company hereby states that by resolution of the Board of Directors on 12 May 2015, OHLA Group adopted the Spanish Code of Good Tax Practices with the Spanish Ministry of Economy and Finance, and endorses those principles.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on:

20/03/2024

Indicate whether any director voted against or abstained from approving this report.

[ ] Yes
[√] No

Auditor's Report on the "Information relating to the system of Internal Control over Financial Reporting (ICFR)" of OBRASCÓN HUARTE LAIN, S.A. for 2023

(Free translation from the original in Spanish)

Building a better
working world

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AUDITOR'S REPORT ON THE "INFORMATION RELATING TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

To the directors of Obrascón Huarte Lain, S.A.

At the request of the Board of Directors of Obrascón Huarte Lain, S.A. (the "Entity") and in accordance with our proposal dated 5 February 2024, we have applied certain procedures to the accompanying "ICFR-related information" of Obrascón Huarte Lain, S.A. for 2023, which summarises the Entity's internal control procedures in respect of its annual financial reporting.

The Directors are responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system, and for making improvements to that system, and preparing and establishing the content of the accompanying ICFR-related information.

It should be noted that irrespective of the quality of the design and effectiveness of the internal control system adopted by the Entity in relation to its annual financial reporting, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our financial statement audit work and in keeping with Spain's Technical Auditing Standards, the sole purpose of our assessment of the Entity's internal control system was to establish the scope, nature, and timing of the Entity's financial statement audit procedures. Accordingly, our internal control assessment, performed in connection with the financial statement audit, was not sufficiently broad in scope to enable us to issue a specific opinion on the effectiveness of the internal control over the regulated annual financial reporting.

For the purpose of issuing this report, we exclusively applied the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting in Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to the Entity's annual financial reporting for 2023 described in the accompanying ICFR-related information. As a result, had we applied additional procedures to those established by the Guidelines mentioned above or had we performed an audit or a review of the internal control over regulated annual financial reporting, other matters might have been come to our attention that would have been reported to you.

Furthermore, since this special engagement neither constitutes a financial statement audit nor is it subject to prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for in those regulations.

The procedures performed were as follows:

1. Reading and understanding the ICFR-related information prepared by the Entity – disclosures included in the Management Report – and assessing whether such information addresses all the reporting requirements following the minimum content detailed in section F relating to the description of the ICFR system in the Annual Corporate Governance Report template established in CNMV Circular 5/2013 of 12 June 2013, and subsequent amendments, the most recent of which is CNMV Circular 3/2021, of 28 September (the "CNMV Circulars").

2. Making inquiries of personnel responsible for preparing the information detailed in point 1 above to: (i) obtain an understanding of the process following in its preparation; (ii) obtain information that allows us to assess whether the terminology used is adapted to the reference framework definitions; and (iii) obtain information on whether the control procedures described are in place and in use by the Entity.

3. Reviewing the explanatory documentation supporting the information detailed in point 1 above, including primarily documents directly made available to those responsible for describing the ICFR system. This documentation includes reports prepared by the Internal Audit Department, senior management, and other internal and external experts in their role supporting the Audit and Compliance Committee.

4. Comparing the information detailed in point 1 above with our knowledge of the Entity's ICFR system obtained through the procedures applied during our audit of the annual financial statements.

5. Reading the minutes of the meetings of the Board of Directors, the Audit and Compliance Committee, and other Entity committees to evaluate the consistency between the ICFR system matters addressed and the information detailed in point 1 above.

6. Obtaining a representation letter in connection with the work performed, duly signed by those responsible for preparing and authorising for issue the information detailed in point 1 above.

As a result of the procedures applied to the ICFR-related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the consolidated text of the Spanish Corporate Enterprises Act (*texto refundido la Ley de Sociedades de Capital*) and CNMV Circulars on ICFR system description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(Signed on the original version In Spanish)

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José Enrique Quijada Casillas

April 29, 2024

ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

Year end-date: 31/12/2023

TAX ID (CIF): A-48010573

Company name:

OBRASCON HUARTE LAIN, S.A.

Registered office:

PASEO DE LA CASTELLANA, 259 D, TORRE ESPACIO MADRID

A. REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the current director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

c) Information on whether any external advisors took part in this process and, if so, their identity

d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The remuneration policy applicable to directors of Obrascón Huarte Lain, S.A. ("OHLA" or the "Company") in 2024 is the policy approved by shareholders at the General Shareholders' Meeting held on 2 June 2022 (the "Remuneration Policy", or the "Policy"), with 93.1226% of share capital present voting in favour. The Policy was amended at the General Shareholders' Meeting held on 30 June 2023, with 87.471% of share capital present voting in favour. The main objectives were:
(i) To update the maximum annual amount to be distributed by the Board of Directors among all the external directors of OHLA (the "Maximum Annual Remuneration") in view of the potential creation of an Executive Committee, as a delegated body of the Board, which would foreseeably increase the dedication of the directors significantly, and with the aim of aligning it with the current market practice followed by other comparable companies in the construction sector, ensuring in any case that such remuneration is in line with the responsibility and effective dedication of the external directors, but without constituting an obstacle to their independence in the exercise of their functions.
(ii) To simplify the distribution of the Maximum Annual Remuneration in accordance with the functions and responsibilities attributed to the directors, but giving flexibility to the Board of Directors to distribute it on an annual basis.
(iii) To update the objectives to which the annual variable remuneration of executive directors is linked for 2023.
The Policy is aligned with the requirements of Law 5/2021, of 12 April, amending the revised text of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital), approved by Legislative Royal Decree 1/2010, of 2 July (the "Corporate Enterprises Act"), and other financial regulations, as regards the encouragement of long-term shareholder engagement in listed companies ("Law 5/2021") and good corporate governance practices.
As approved at the General Shareholders' Meeting, the Policy is applicable until 31 December 2025, unless a new remuneration policy is approved before then.
The general principles guiding OHLA's Remuneration Policy are as follows:
• Transparency: the Company is committed to transparency in director remuneration, recognising the establishment of a Policy that is clear and known, available to all stakeholders.
• Prudent and effective risk management: the remuneration system is compatible with appropriate and effective risk management, in line with the Company's approved risk management policy. The amount of remuneration is determined based on a principle of prudence and is sufficiently high to compensate directors for their dedication, qualifications and responsibility without compromising their duty of loyalty.
• Alignment with corporate governance recommendations: the Policy respects the corporate governance principles and recommendations undertaken by the Company and those outlined in its Code of Ethics.
• Independence and absence of variable components: remuneration should be structured in a way that does not compromise the independent judgement of directors in discharging their general directorship duties, so it compromises exclusively a fixed amount for attending board meetings and membership of the Board of Directors (the "Board" or the "Board of Directors") and Board committees and does not include any variable components.
• Fairness: it takes in account market trends and is devised in accordance with the Company's strategic focus, and is effective in attracting, motivating and retaining the best people.
• Link to the corporate strategy, interests and long-term stability: it contributes to the Company's corporate strategy and long-term stability, by being aligned with the objectives of shareholders and creating value sustainably over time.

- Balance between fixed and variable remuneration: the remuneration of directors who perform executive functions has an appropriate and efficient balance between fixed and variable components based on the responsibilities, dedication and achievement of targets by the directors.
- Link between remuneration and results ("pay for performance"): the remuneration of directors who perform executive functions is designed with a medium- and long-term view so as to encourage directors' performance in strategic terms by linking it to achievement of the objectives of the Company and the Group (the "Group" or "OHLA Group").

Based on the above, OHLA's Remuneration Policy includes the principles and guidelines described above, which are consistent with the Company's corporate governance policy. Moreover, it complies with the Corporate Enterprises Act to the extent that it is geared towards generating value for OHLA and aligning interests of shareholders with prudent risk management and full respect for the good corporate governance recommendations assumed.

CONTINUES IN SECTION D OF THIS REPORT

A.1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

RELATIVE IMPORTANCE OF VARIABLE REMUNERATION ITEMS VIS-À-VIS FIXED REMUNERATION (remuneration mix).
As provided for in the Remuneration Policy, the remuneration of External Directors does not include any variable components. Therefore, only Executive Directors are eligible to participate in variable remuneration schemes. This complies with Recommendation 57 of the Good Governance Code of Listed Companies ("GGCLC") of the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores or "CNMV"), as revised in June 2020, which states that variable remuneration should be confined to executive directors.
Specifically, the Executive Directors' remuneration scheme has a variable component aimed at aligning remuneration with OHLA's and its shareholders' objectives and encouraging performance in strategic terms.
The Company's aim is to design remuneration scheme that are aligned with market trends so as to attract, motivate and retain the best people, while linking remuneration to the Company's and the Group's results and targets.
In accordance with the Policy and their respective contracts, the variable remuneration scheme of Executive Executive Directors may include three variable potential components: (i) annual variable remuneration, (ii) multi-year variable remuneration, and (iii) extraordinary variable remuneration.
This scheme has an appropriate and efficient balance between fixed and variable components based on responsibilities, dedication and achievement of strategic targets. However, the relative importance of the Executive Directors' variable remuneration could, depending on the level of achievement of performance targets for the accrual of variable remuneration, become relatively more important than the fixed remuneration components.
The Executive Directors' variable remuneration is linked to the achievement of a combination of specific, predetermined and quantifiable economic-financial, industrial and operational targets of the Company, the related division or business unit, which must be aligned with the interests of shareholders and the Company's strategic plan. The Executive Directors' individual performance may also be evaluated and a weighting assigned to other corporate governance and corporate social responsibility targets, which may be quantitative or qualitative.
Specifically, in determining the relative importance of variable components vis-à-vis fixed components ("remuneration mix"), the following are taken into account:
For the Executive President:

- Fixed cash remuneration for 2024 of EUR 650,000.
- Annual variable remuneration of EUR 650,000 for a level of achievement of 100% of the predetermined targets.

Regarding the "Remuneration Mix", the Executive President's annual "target" variable remuneration is equal to half of his total annual remuneration (i.e. sum of annual fixed remuneration and short-term variable remuneration).
For the Executive Vice-President:

- Fixed cash remuneration for 2024 of EUR 400,000.
- Annual variable remuneration of EUR 400,000 for a level of achievement of 100% of the predetermined targets.

Regarding the "Remuneration Mix", the Executive Vice President's annual "target" variable remuneration is equal to half of his total annual remuneration (i.e. sum of annual fixed remuneration and short-term variable remuneration).
In addition, as stated in the Remuneration Policy, Executive Directors may receive multi-year variable remuneration which, where this entails the delivery of shares or share options or is linked to the share price, must be approved by the General Shareholders' Meeting. The related resolution at the Meeting must specify the maximum number of shares that the Executive Directors may receive for participation in that remuneration scheme. The scheme may include a deferral period for delivery of the shares, so that the shares are received in instalments over time.
The Policy also states that Executive Directors may be eligible for extraordinary variable remuneration if, in the opinion of the Board of Directors, they have played a decisive role in transactions that are significant or transformational for OHLA Group and the results of which have a major and positive impact on the Company and its shareholders. According to the Remuneration Policy, it is up to the Board of Directors, based on a recommendation by the ARC, to establish the terms and conditions of any such remuneration. ACTIONS TAKEN BY THE COMPANY IN RELATION TO THE REMUNERATION SYSTEM TO REDUCE EXPOSURE TO EXCESSIVE RISKS AND ALIGN IT WITH THE LONG-TERM OBJECTIVES, VALUES AND INTERESTS OF THE COMPANY, ACCRUAL PERIOD AND DEFERRAL OF PAYMENT.
The Remuneration Policy's remuneration principles comply with the Corporate Enterprises Act and are aligned with the principles and recommendations regarding director remuneration included in the GGCLC regarding the Company's size and importance, economic situation, comparability, profitability and sustainability, and the avoidance of excessive risk-taking and not rewarding poor performance.
In this respect, OHLA applies the following practices:
a) Engage external advice where necessary.
b) Review market trends periodically.
c) Establish clawback arrangements for variable remuneration.
d) Link payment of a significant portion of remuneration to the Company's economic-financial performance.

Measures to reduce exposure to excessive risk-taking and reinforce alignment with OHLA's long-term strategy, interests, objectives and values, and to provide sustainability to the Company's results are as follows:
a) The ARC regularly reviews the Remuneration Policy, overseeing its compliance.
b) The annual variable remuneration is paid after the authorisation for issue of the relevant financial statements and after having determined the level of achievement of financial targets. In this respect, the portion of annual variable remuneration linked to the results of the Company or one or more of its divisions should bear in mind any qualifications stated in the external auditor's report that reduce their amount.
c) There is no entitlement to guaranteed variable remuneration, since there is a minimum threshold for achievement of targets below which this remuneration is not paid.
d) There is a cap on annual variable remuneration.
e) The amount of annual variable remuneration is contingent on the level of achievement of targets determined annually based on a recommendation by the ARC and approved by OHLA's Board of Directors.
f) Included is a related clawback arrangement, which enables OHLA to demand reimbursement of the variable components of remuneration when payment was not in accordance with the performance conditions or when payment was made on the basis of data that have subsequently been clearly shown to have been inaccurate.
g) If exceptional events occur, due to circumstances within or outside the Company, the ARC may submit a proposal to the Board of Directors to adjust the variable remuneration.
h) The ARC is currently composed of four (4) members, two (2) of whom are also members of the Audit and Compliance Committee. The inter-related membership of directors of both committees ensures that risks related to remuneration are taken into consideration in the committees' discussions and the proposals submitted to the Board of Directors for determining and evaluating the annual incentives.
MEASURES IN PLACE TO AVOID CONFLICTS OF INTEREST.
Article 31 of the Board Regulations establish, among others, as basic obligations arising from the director's duty of loyalty the adoption of the necessary measures to avoid situations in which their interests, either as independent professionals or as employees, may be in conflict with the corporate interests of, and their duties to, the Company. Specifically, Article 32 of the Board Regulations lists the acts that directors must refrain from carrying out, in compliance with the duty to avoid situations of conflict of interest. These provisions also apply if the beneficiary of the acts or of the prohibited activities is a person related to the director.
In any case, directors must notify the Board of Directors of any direct or indirect conflict of interest that they or persons related to them might have with the interests of the Company. Conflicts of interest in which directors might be involved must be disclosed in the notes to the financial statements.

A.1.3 Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

The General Shareholders' Meeting is responsible for determining the annual remuneration that may be paid by the Company to all of directors in their capacity as such. The Board of Directors is responsible for distributing the amount among the various directors as, when and in the proportion it sees fit, and may reduce the amount if and when it considers this to be advisable.
For these purposes, via the amendment of the Remuneration Policy currently in force, approval was given at OHLA's General Shareholders' Meeting held on 30 June 2023 for Maximum Annual Remuneration of EUR 2,500,000, which will remain in force until the Board of Directors proposes its modification to the General Shareholders' Meeting and it is approved.
The Maximum Annual Remuneration shall be distributed among External Directors based on the following objective factors:
- For chairmanship of the Board of Directors.
- For vice-chairmanship of the Board of Directors.

- For membership of the Board of Directors.
- For chairmanship of a Commission or Committee of the Board of Directors.
- For vice-chairmanship of a Commission or Committee of the Board of Directors.
- For membership of a Commission or Committee of the Board of Directors.
- For the performance of the post of Coordinating Director.

External Directors are also entitled to the remuneration in kind set out in sub-section A.1.5. of this report as fixed components of their remuneration.

Lastly, External Directors residing outside the region where the Company's registered office is located shall receive travel allowances for expenses incurred in discharging their duties.

On an annual basis, the Board of Directors, based on a report from the ARC, shall set, as part of the maximum amount comprising the Maximum Annual Remuneration approved by the General Shareholders' Meeting of OHLA, the specific amount of each factor defined in the Remuneration Policy to be distributed among its members.

As noted previously, according to the Company's Articles of Incorporation, the remuneration received by External Directors is compatible with, and independent of, the remuneration received by Executive Directors, during the term of the Policy, the Maximum Annual Remuneration will only be distributed among External Directors who do not perform executive functions in the Company.

A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

Executive Directors receive fixed annual cash remuneration for performing executive functions within the Company. The amount of the Executive Directors' fixed remuneration is determined by the Board of Directors based on a proposal by the ARC, based on the responsibility and dedication the post demands, the Executive Director's experience and career trajectory at OHLA, its alignment with the remuneration of the management team and its competitiveness in comparison to equivalent functions in peer or comparable companies. It may be revised regularly by the Board of Directors.

The fixed annual cash remuneration of the Executive President for 2024 is EUR 650,000. Similarly, the fixed annual cash remuneration of the Executive Vice President for 2024 is EUR 400,000.

Executive Directors are also entitled to the benefits stipulated in sub-section A.1.5 below.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Remuneration Policy provides for certain remuneration in kind as follows: For all directors:

- Third-party liability insurance:

In accordance with the Articles of Incorporation, the Company may take out insurance policies for all directors covering third-party liability from the discharge of their duties under standard market terms and conditions bearing in mind the Company's own circumstances.

For all Executive Directors:

- Health insurance:

Executive Directors and their family members are beneficiaries of a health insurance policy. The terms depend on the policy taken out at any given time, with OHLA bearing the entire cost.

- Contributions to life and accident insurance:

Executive Directors are beneficiaries of life and accident insurance as part of a mixed group insurance policy taken out from an insurance company. The cost of the policy is borne by the Company.

A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

Executive Directors' remuneration scheme includes a variable component.
Annual variable remuneration:
As explained in sub-section A.1.2 above, as at the date of preparation of this report, Executive Directors were part of an annual variable remuneration scheme linked to the achievement of specific, predetermined and quantifiable targets aligned with the interests of OHLA shareholders and the Company's strategic plan. This does not make them ineligible to participate in other variable remuneration systems included in the Policy.
Executive Directors' annual variable remuneration represents a percentage of their fixed annual remuneration, calculated based on the achievement of a combination of predetermined and quantifiable quantitative and qualitative targets. This remuneration is paid in cash.
The Board of Directors, on a recommendation by the ARC, sets the targets each year and evaluates the level of achievement after the end of the year.
The parameters used by OHLA to calculate the annual variable remuneration for 2024 included certain specific, previously determined and quantifiable economic-financial, industrial and operating targets for the Company, the division or the business units under the responsibility of the Executive President and the Executive Vice-President. Individual performance may also be evaluated and a weighting assigned to other sustainability and corporate governance targets, which may be quantitative or qualitative.
The terms and conditions of Executive Directors' variable remuneration scheme are reviewed annually by the ARC, taking into account the Company's strategy and business situation. This review is subsequently submitted for approval by the Board of Directors. Personal targets have been set for the two Executive Directors for 2024, with a relative weight of 30%, and quantitative targets linked to order intake, cash generation, debt and EBITDA, with a relative weight of 70%.
The level of achievement of the targets will be determined according to the weightings that at any given time are established by the Board of Directors on a recommendation by the ARC.
Payment of the annual variable remuneration deferred for one year. Therefore, annual variable remuneration for 2024 will be paid, if applicable, in 2025.
If exceptional events occur, due either to circumstances within or outside the Company, the ARC may submit a proposal to the Board of Directors to adjust the variable remuneration.
The portion of annual variable remuneration whose payment is linked to results of the Company or one or more of its divisions should bear in mind any qualifications stated in the external auditor’s report that reduce their amount.
Lastly, the annual variable remuneration scheme includes a clawback arrangement, which enables OHLA to demand reimbursement of the variable components of remuneration when payment was not in accordance with the performance conditions or when payment was made on the basis of data subsequently shown to have been inaccurate.
The Board of Directors, based on a report by the ARC, shall determine whether or not such circumstances have occurred and any variable remuneration that must be returned. Multi-year variable remuneration:
According to the Policy, Executive Directors may be included in any multi-year variable remuneration systems approved by the Board of Directors and linked to their continued employment and the achievement of certain strategic objectives.
Executive Directors' inclusion in this type of scheme will require, for remuneration that entails the delivery of shares or share options or is linked to the share price, approval by the General Shareholders’ Meeting, as provided for in Article 219 of the Corporate Enterprises Act and in the Company's Articles of Incorporation.
As at the date of preparation of this report, the Executive Directors did not participate in any multi-year variable remuneration system.

Extraordinary variable remuneration:
Executives Directors may receivable extraordinary variable remuneration if, in the opinion of the Board of Directors, they have played a decisive role in transactions that are significant or transformational for OHLA Group and the results of which have a major and positive impact on the Company and its shareholders. It is up to the Board of Directors, based on a recommendation by the ARC, to establish the terms and conditions of any such remuneration.
The clawback arrangement for annual variable remuneration described shall not apply to the extraordinary variable remuneration under the terms of the Policy.

A.1.7 Main characteristics of long-term savings systems. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

As at the date of preparation of this report, the Company did not have any long-term savings plans for directors.

A.1.8 Any type of payment or severance pay for early termination or dismissal of the director, or deriving from the termination of the contractual relation, in the terms provided, between the company and the director, whether voluntary resignation by the director or dismissal of the director by the company, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the director to any type of remuneration.

At its meeting held on 30 June 2023, the Board of Directors acknowledged the resignation tendered by José Antonio Fernández Gallar as Chief Executive Officer of OHLA, with effect from the date of the General Shareholders' Meeting held on the same day. Moreover, based on a report by the ARC, approval was given to the terms for termination of his contract and his settlement.
As provided for in his contract, the Board of Directors decided to activate the post-contractual non-competition obligation, whereby for one year following the date of termination of his relationship with OHLA (i.e. 30 June 2023), José Antonio Fernández Gallar shall not engage in any activity that is the same as or similar to those he performed at OHLA, for his own account or third parties, for or at large enterprises in the construction sector that are competitors of OHLA. As consideration for this obligation, OHLA shall pay José Antonio Fernández Gallar the amount of two million eight hundred thousand euros (EUR 2,800,000), gross, divided up over a period of 12 months following termination of his contract.
If José Antonio Fernández Gallar breaches the post-contractual non-competition obligation, the contract requires him to reimburse OHLA for amounts received in this connection up to the date of the breach and indemnify the Company an amount equal to 25% of the compensation received, without prejudice to the right to claim any damages arising from the breach of that obligation.

Meanwhile, the Remuneration Policy does not provide for any indemnifications for External Directors for termination of their duties as director.
According to the Executive Directors' contracts, the Company or the Executive Director may unilaterally terminate the contract by giving at least three (3) months' notice in writing to the other party. In the event of full or partial breach of the notice period, the party that has taken the decision to terminate the contract shall pay the other party an amount equal to one (1) month of fixed remuneration for each month of notice not given, or the proportional part thereof in the event of incomplete months.

PACTS OR AGREEMENT ON EXCLUSIVITY, POST-CONTRACTUAL NON-COMPETITION AND MINIMUM CONTRACT TERMS OR LOYALTY THAT ENTITLE THE DIRECTOR TO ANY TYPE OF REMUNERATION.
The contracts of the Executive President and the Executive Vice President do not provided for any such pacts.

A.1.9 Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

CONDITIONS THAT THE CONTRACTS OF EXECUTIVE DIRECTORS PERFORMING SENIOR MANAGEMENT FUNCTIONS SHOULD CONTAIN.
According to the Corporate Enterprises Act and the Company's internal rules and regulations, the Board of Directors, on a recommendation by the ARC, shall approve the basic terms of Executive Directors' contracts (including any remuneration or severance pay in the event of dismissal) for performing executive duties.
The main terms and, especially, remuneration, rights and economic compensation of each Executive Director, are (i) specified in their respective contracts, (ii) within the remuneration components specified in OHLA's Articles of Incorporation, and (iii) in accordance with the Remuneration Policy in force.
The basic terms and conditions of the Executive Directors' contracts, which are standard for this type of contract, are as follows:
• Duration: the duration of the contracts of the Executive President and the Executive Vice President are the same as the term of office. Their contracts shall be terminated on the date they cease to hold these offices.
Confidentiality: the Executive Directors undertake not to disclose, and to prevent unauthorised third parties from learning about, any the business plans, procedures, methods, information, commercial or industrial data, know-how and technical documents belonging to OHLA Group relating to its operations that, by their nature, are considered confidential either because they are in the directors' possession or because the directors had access to them by reason of their post.

To this end, the Executive Directors shall exercise this diligence both while rendering their services and after their relationship with the Company is terminated, irrespective of the reasons and form of such termination.

- Notice period: there is a three-month notice period under the terms explained in sub-section A.1.8 above.
- Severance pay: the contracts do not provide entitlement to any severance pay.
- Post-contractual non-competition: their contracts do not include any such clauses.

In any event, the Board of Directors shall review the terms and conditions of the Company's Executive Directors' contracts periodically and make the changes it deems necessary, if any, within the framework of the Co pany's Remuneration Policy and its internal rules and regulations.

A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

There is no provision for OHLA directors to accrue any other supplementary remuneration.

A.1.11 Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

There is no provision for granting advances, loans, guarantees or any other remuneration other than described.

A.1.12 The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

There is no provision by any Group company to remunerate any members of the Board of Directors.

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or an amendment to a policy already approved by the General Meeting.

b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.

c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

No significant changes are expected to be made to the Remuneration Policy for the current year.

A.3. Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

https://ohla-group.com/accionistas-e-inversores/gobierno-corporativo/#2

A.4. Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

Of votes cast at the General Shareholders' Meeting held on 30 June 2023 on the resolution regarding the annual report on director remuneration for the previous year, under the terms provided for in section B.4 of this report, 96.314% of share capital represented were in favour.

In the Board of Directors' opinion, the remuneration practices in that report have the approval of a large number of shareholders and are in line with practices of the companies in the industry in which the Company operates. Therefore, it decided to uphold the same practices.

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

The amendment of the Remuneration Policy approved at the General Shareholders' Meeting held on 30 June 2023 was applicable as from that year.
Specifically, the process followed to apply the Remuneration Policy applicable in 2023 and determine the individual remuneration contained in Section C of this report was as follows:

- External Directors: the individual remuneration of Executive Directors is detailed in section B.5 of this report.
- Executive Directors: as provided in the Executive Directors' contracts and the Remuneration Policy, the Chief Executive Office, up to the date of his termination (i.e. 30 June 2023) and the Executive President and Executive Vice President from the date of their appointments (i.e. 30 June 2023) accrued the remuneration detailed in section B.6 of this report in 2023.

The main actions, business transacted and decisions in matters relating to remuneration taken by the ARC and the Board of Directors in exercise of the authority described in sub-section A.1.1 were as follows:

- Evaluate the composition of the Board and Board committees.
- Analyse and report on the termination of the Chief Executive Officer's contract and his settlement.
- Report to the Board of Directors on the terms of the Executive Directors' contracts and their objectives.
- Review the factors for distributing the maximum annual remuneration approved by the General Meeting for External Directors and report to the Board of Directors on the new distribution scheme for 2023 and subsequent periods.
- Report on the proposed amendments to the Director Remuneration Policy, which were subsequently approved at the General Shareholders' Meeting held on 30 June 2023.
- Analyse and report to the Board of Directors on the proposal for variable remuneration of Executive Directors, proposing the objectives and assessing their level of achievement.
- Inform the Board of Directors about the 2022 Annual Report on Director Remuneration, verifying that the current Remuneration Policy was applied correctly.
- Analyse and report to the Board of Directors on the remuneration accrued by OHLA Group key management personnel.
- Approve the ARC's activities report.

The ARC held seven (7) meetings in 2023, at which it adopted those decisions, along with others. In addition, in 2023, the Company engaged J&A Garrigues to provide external advice to the Company on matters involving remuneration.

B.1.2 Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There was no deviation from the procedure established for the application of the Remuneration Policy in 2023.

B.1.3 Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No temporary exceptions were applied to the Remuneration Policy in force in 2023.

B.2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

As explained in sub-section A.1.1. of this Report, OHLA applies the following practices to reduce exposure to excessive risk-taking and reinforce alignment with OHLA's long-term strategy, interests, objectives and values, and to provide sustainability to the Company's results:

- The ARC regularly reviews the Remuneration Policy, overseeing its compliance.
- The annual variable remuneration is paid after the authorisation for issue of the relevant financial statements and after having determined the level of achievement of financial targets. In this respect, the portion of annual variable remuneration linked to the results of the Company or one of its divisions should bear in mind any qualifications stated in the external auditor's report that reduce their amount.
- There is no entitlement to guaranteed variable remuneration, since there is a minimum threshold for achievement of targets below which this remuneration is not paid.
- There is a cap on annual variable remuneration.
- The amount of annual variable remuneration is contingent on the level of achievement of targets determined annually based on a recommendation by the ARC and approved by OHLA's Board of Directors.
- Included is a related clawback arrangement, which enables OHLA to demand reimbursement of the variable components of remuneration when payment was not in accordance with the performance conditions or when payment was made on the basis of data that have subsequently been clearly shown to have been inaccurate.
- If exceptional events occur, due to circumstances within or outside the Company, the ARC may submit a proposal to the Board of Directors to adjust the variable remuneration.
- The ARC is currently composed of four (4) members, two (2) of whom are also members of the Audit and Compliance Committee. The inter-related membership of directors of both committees ensures that risks related to remuneration are taken into consideration in the committees' discussions and the proposals submitted to the Board of Directors for determining and evaluating the annual incentives.

Meanwhile, measures taken to ensure that the long-term results of OHLA are taken into account are:

- Designing a Remuneration Policy that is coherent and aligned with the Company's strategy and gears towards the achievement of long-term results, such that the remuneration of the Company's Executive Directors is commensurate with the dedication, effort and responsibility assumed:

The Executive Directors' remuneration includes the following components: (i) fixed remuneration (cash and in kind), (ii) annual variable remuneration and (iii) multi-year variable remuneration. They are also entitled to receive extraordinary variable remuneration in certain situations.

Annual variable remuneration is tied to certain performance indicators, including achievement of specific, predetermined and quantifiable economic-financial, industrial and operating targets for the Company, division or related business unit under the responsibility of the Executive Director, where applicable. These targets are aligned with the interests of OHLA shareholders and the Company's strategic plan.

According to the Company's Articles of Incorporation, directors may be remunerated through the delivery of shares, share options or remuneration linked to the share price provided that application of any of these remuneration schemes is first approved at the General Shareholders' Meeting.

- Appropriate balance between the fixed and variable components of the remuneration. The Executive Directors of the Company currently have system of annual variable remuneration where the "target" variable remuneration is 100 per cent of the fixed remuneration for achievement of 100 per cent of the objectives.

Regarding the necessary measures to avoid situations of conflict of interest by directors, the Policy makes reference to the Regulations of the Board of Directors, which set out certain obligations arising from directors' duty of loyalty related to avoiding situations of conflict of interest. The Board Regulations also include, among the ARC's responsibilities, ensuring that potential conflicts of interest do not compromise the independence of external advice provided to the ARC.

B.3 Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

In compliance with OHLA's Remuneration Policy applicable in 2023, the remuneration accrued by directors during the year was as follows:

• External Directors:

The amounts stipulated in the Policy and described in section B.5 of this report for membership and/or chairmanship of the Board of Directors and Board committees.

The total amount accrued to External Directors in 2023 was EUR 1,284 thousand, including the amount of travel allowances accrued by External Directors incurred in the performance of their duties of EUR 19 thousand. The total amount accrued by all External Directors includes the amounts received by the Executive President and Executive Vice President for the performance of their duties up to their appointment as Executive Directors on 30 June 2023.

These amounts are within the limit of Maximum Annual Remuneration provided for in the Policy (i.e. EUR 2,500,000.

According to the Remuneration Policy, the Maximum Annual Remuneration set by the General Shareholders' Meeting shall be distributed only among External Directors who do not perform executive functions in the Company.

• Executive Directors:

For each Executive Director, fixed remuneration for the performance of executive functions in 2023 was calculated based on the performance of the position.

The Chief Executive Officer received EUR 600 thousand of fixed remuneration until removal from his position on 30 June 2023.

For the current Executive Directors, the Executive President received EUR 325 thousand and the Executive Vice President received EUR 200 thousand in 2023.

Cash payments to be made in 2024 in relation to the annual variable remuneration to the current Executive Directors will be EUR 380 thousand for the Executive President and EUR 234 thousand for Executive Vice President.

The life and accident insurance premium, the health insurance premium and other benefits paid to Executive Directors by OHLA are described in section B.14 of this report.

Variable remuneration systems include measures that take into account the Company's results, such as:

• It includes scales of achievement defined for each target based on the Company results. Any deviation in the Company's performance will affect the level of achievement of targets and directly affect the amount of variable remuneration, if any, to which the Executive Directors are entitled.

• There is no guaranteed variable remuneration, since there is a minimum threshold for achievement of targets below which this remuneration is not paid.

• Variable remuneration shall only accrue when the Board of Directors, on a recommendation by the ARC, has evaluated the level of achievement of the financial targets and after the authorisation for issue of the financial statements.

• Executive Directors' variable remuneration (annual and, as appropriate, multi-year) is subject to an arrangement which, if triggered, would enable the ARC to demand reimbursement of the variable components of remuneration when payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

• If exceptional events occur, due to circumstances within or outside the Company, the ARC may submit a proposal to the Board of Directors to apply certain adjustments to the variable remuneration.

• The portion of variable remuneration linked to results of the Company or one or more of its divisions should bear in mind any qualifications stated in the external auditor’s report that reduce their amount.

B.4. Report on the result of the consultative vote at the General Shareholders’ Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	193,167,206	32.68
	Number	**% of votes cast**
Votes against	6,714,976	3.48
Votes in favour	186,045,840	96.31
Blank ballots		0.00
Abstentions	406,390	0.21

Observations

B.5. Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

The amount of individual remuneration accrued by External Directors in 2023, including remuneration for membership and/or chairmanship of the Board of Directors and Board committees, was distributed in accordance with following objective factors, agreed by the Board of Directors at its meeting held on 30 June 2023 and set out in the the Policy currently in force:

- For chairmanship of the Board of Directors.
- For vice-chairmanship of the Board of Directors.
- For membership of the Board of Directors.
- For chairmanship of a Commission or Committee of the Board of Directors.
- For vice-chairmanship of a Commission or Committee of the Board of Directors.
- For membership of a Commission or Committee of the Board of Directors.
- For the performance of the post of Coordinating Director.

In accordance with the above, the total amount accrued by all External Directors in 2023 in their capacity as such amounted to EUR 1,284 thousand, including EUR 19 thousand of travel allowances for expenses incurred by external directors residing outside the region where the Company's registered office is located.
The total amount accrued, as explained in section B.3 above, by all External Directors includes the amounts received by the Executive President and Executive Vice President up to their appointment as Executive Directors on 30 June 2023.
The proportion of remuneration of each External Director in their capacity as such to their total remuneration in 2023 is as follows (in EUR thousand):
Director Fixed annual remuneration / / (EUR) / Proportion vis-à-vis total remuneration (%)
LUIS FERNANDO MARTÍN AMODIO HERRERA // 81 / 6.32
JULIO MAURICIO MARTÍN AMODIO HERRERA // 73 / 5.69
FRANCISCO JOSE GARCÍA MARTÍN // 240 / 18.69
JUAN VILLAR-MIR DE FUENTES // 65 / 5.06
JOSÉ ANTONIO FERNÁNDEZ GALLAR // 0 / 0
CARMEN DE ANDRÉS CONDE // 160 / 12.46
CÉSAR CAÑEDO-ARGÜELLES TORREJÓN // 140 / 10.90
JUAN ANTONIO SANTAMERA SÁNCHEZ // 130 / 10.12
LUIS FERNANDO AMODIO GIOMBINI // 140 / 10.90
REYES CALDERÓN CUADRADO // 190 / 14.80
XIMENA CARAZA CAMPOS // 65 / 5.06
____
Total // 1,284 / 100

Total remuneration paid in 2023 amounted to EUR 1,284 thousand, marking a decrease of EUR 59 thousand from the EUR 1,343 thousand paid in 2022.
The difference in remuneration of External Directors in 2023 compared to 2022 was mainly the result of the different composition of members classified as External Directors during the year and the fact that, following the amendment of the Remuneration Policy, the decision was made to provide the Board of Directors with flexibility to distribute the Maximum Annual Remuneration according to functions and responsibilities, without applying the amounts applicable to the factors set out in the Policy prior to the amendment.

B.6 Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

As disclosed above, José Antonio Fernández Gallar resigned as Chief Executive Office of OHLA on 30 June 2023, so his fixed annual remuneration for 2023 up to that date amounted to EUR 600 thousand, in cash.
In addition, the fixed annual remuneration of the other Executive Directors of the Company amounted to EUR 325 thousand in cash for the Executive President and EUR 200 thousand in cash for the Executive Vice President.
This implies an increase of EUR 75 thousand in fixed remuneration paid compared to 2022, although that year there was only one Executive Director; i.e. the Chief Executive Officer.
In 2023, the Executive Directors were also entitled to certain corporate benefits: payment of health insurance premiums of EUR 1 thousand.

In 2023, a total of EUR 46 thousand was paid to the Chief Executive Officer in health insurance premiums, life insurance premiums and accrued holiday pay up to the date on which he ceased to be a director.
Lastly, as in 2022, OHLA did not make any contributions to a pension scheme on behalf of the Chief Executive Officer or Executive Directors in 2023. Moreover, in accordance with the Articles of Incorporation, the Company took out insurance policies for the Executive Directors covering third-party liability from the discharge of their duties under standard market terms and conditions bearing in mind the Company's own circumstances.

B.7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each director that is a beneficiary of remuneration systems or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).

d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems:

As stipulated in the Remuneration Policy applicable in 2023, only the Executive Directors may be included in the Company’s variable remuneration schemes.
The Executive Directors' variable remuneration includes the following variable components: (i) Annual variable remuneration.
(ii) Multi-year variable remuneration.
The Board of Directors, on a recommendation by the ARC, agreed to pay Executive Directors an amount of EUR 614 thousand for annual variable remuneration, as provided for in their contracts, for 100% achievement of the targets established by the Board of Directors for 2023, with a weighting of 70% for quantitative targets and 30% for qualitative targets.
Therefore, the weighting of the quantitative targets of the annual variable remuneration stipulated in the Policy is as follows:

- Cash budget target, 30% weighting.
- EBITDA generation target, 15% weighting.
- EBITDA ratio target, 15% weighting.
- Order intake target, 10% weighting.

Explain the long-term variable components of the remuneration systems:

As explained in the previous section, the Executive Directors may be included in any multi-year variable remuneration systems approved by the Company's Board of Directors.
At the General Meeting held on 28 May 2019, shareholders approved a multi-year variable share-based remuneration plan that included the possibility of granting the Chief Executive Officer variable remuneration linked to his minimum contract term in the Company, and to the achievement of the targets set by the Board of Directors.
However, at its meeting held in November 2019, OHLA's Board of Directors agreed to suspend the system. Therefore, in 2023, the Chief Executive Officer did not receive any remuneration or earn any rights in respect of this system.
The Executive President and Executive Vice President also did not receive any such remuneration in 2023.

B.8. Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

Although the Executive Directors' variable remuneration is subject to clawback arrangements, there was no demand for the return of variable components in 2023 since no variable remuneration was accrued or paid based on data that had subsequently been clearly shown to be inaccurate and no payment had been made that was not in accordance with certain performance conditions.

B.9. Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

The Company did not make any contribution to long-term saving schemes in 2023.

B.10. Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year last ended.

José Antonio Fernández Gallar:
As described in section A.1.8 above, the Board of Directors, at its meeting held on 30 June 2023, acknowledged the resignation tendered by José Antonio Fernández Gallar as Chief Executive Officer of OHLA, with effect from the date of the General Shareholders' Meeting held on the same day. Moreover, based on a report by the ARC, approval was given to the terms for termination of his contract and his settlement and a post-contractual non-competition agreement was triggered, whereby he would receive consideration related to the distribution of two million eight hundred thousand euros (EUR 2,800,000), gross, divided up over the months of 2023, which continues to accrue in 2024 until a total period of twelve (12) months has elapsed. Juan Villar-Mir de Fuentes:
On 30 June 2023, Juan Villar-Mir de Fuentes ceased to hold the office as vice president and proprietary director following the end of his term of office. He did not receive any amount as a result.

B.11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

There was no change in the employment contract of José Antonio Fernández Gallar before he tendered his resignation as Chief Executive Officer on 30 June 2023.

However, in 2023, new contracts were signed with the Executive President and the Executive Vice President, governing the terms and conditions of their status as Executive Directors, as explained in sub-section A.1.9. above.

B.12 Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

No supplementary remuneration was accrued by directors in consideration of the provision of services other than those inherent in their position.

B.13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

No remuneration accrued deriving from advances, loans or guarantees.

B.14 Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

The Chief Executive Officer was beneficiary of life and accident insurance as part of a mixed group insurance policy taken out from an insurance company. The annual premium in 2023 was EUR 6 thousand. This cost was borne by the Company and the current coverage of the sum insured was EUR 2,800,000. In 2023, he did not receive any reimbursement for having left the Company.
In 2023, the Executive Directors were not beneficiaries of any life and accident insurance policies.
In addition, health insurance premiums paid on behalf of the Executive Directors in 2023 amounted to EUR 1 thousand.
Moreover, in accordance the Articles of Incorporation, the Company took out an insurance policy for the Executive Directors covering third-party liability from the discharge of their duties as part of a policy taken to cover the liabilities of the Group's directors and managers, under standard market terms and conditions bearing in mind the Company's own circumstances.

B.15 Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director’s services to the company.

No remuneration was paid to any member of the Board of Director for providing services to a third company.

B.16 Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not has been considered appropriate to be included among the amounts accrued under the “Other concepts” heading in Section C.

No other remuneration components than those described in this report were paid to members of the Board of Directors in the year ended 31 December 2023.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in 2023
LUIS FERNANDO MARTIN AMODIO	Executive President	From 01/01/2023 to 31/12/2023
JULIO MAURICIO MARTIN AMODIO	Executive Vice President	From 01/01/2023 to 31/12/2023
FRANCISCO JOSE GARCIA MARTIN	Independent Vice President	From 01/01/2023 to 31/12/2023
CARMEN DE ANDRES CONDE	Independent Director	From 01/01/2023 to 31/12/2023
CESAR CAÑEDO-ARGÜELLES TORREJON	Independent Director	From 01/01/2023 to 31/12/2023
JUAN ANTONIO SANTAMERA SANCHEZ	Independent Director	From 01/01/2023 to 31/12/2023
LUIS FERNANDO AMODIO GIOMBINI	Proprietary Director	From 01/01/2023 to 31/12/2023
REYES CALDERON CUADRADO	Independent Director	From 01/01/2023 to 31/12/2023
XIMENA CARAZA CAMPOS	Independent Director	From 30/06/2023 to 31/12/2023
JUAN VILLAR-MIR DE FUENTES	Deputy chairperson Proprietary	From 01/01/2023 to 30/06/2023
JOSE ANTONIO FERNANDEZ GALLAR	Chief Executive Officer	From 01/01/2023 to 30/06/2023

C.1 Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2023	Total in 2022
LUIS FERNANDO MARTIN AMODIO	325	65			380				770	153
JULIO MAURICIO MARTIN AMODIO	200	70			234				504	150
FRANCISCO JOSE GARCIA MARTIN		240							240	185
CARMEN DE ANDRES CONDE		160							160	155
CESAR CAÑEDO-ARGÜELLES TORREJON		140							140	130
JUAN ANTONIO SANTAMERA SANCHEZ		130							130	130
LUIS FERNANDO AMODIO GIOMBINI		140							140	130
REYES CALDERON CUADRADO		190							190	175
XIMENA CARAZA CAMPOS		65							65	
JUAN VILLAR-MIR DE FUENTES		65							65	130
JOSE ANTONIO FERNANDEZ GALLAR	600						1,400		2,000	2,103

Observations

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of plan	Financial instruments at start of 2023		Financial instruments granted during 2023		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
LUIS FERNANDO MARTIN AMODIO	Plan							0.00				
JULIO MAURICIO MARTIN AMODIO	Plan							0.00				
FRANCISCO JOSE GARCIA MARTIN	Plan							0.00				
CARMEN DE ANDRES CONDE	Plan							0.00				
CESAR CAÑEDO-ARGÜELLES TORREJON	Plan							0.00				
JUAN ANTONIO SANTAMERA SANCHEZ	Plan							0.00				
LUIS FERNANDO AMODIO GIOMBINI	Plan							0.00				
REYES CALDERON CUADRADO	Plan							0.00				
XIMENA CARAZA CAMPOS	Plan							0.00				
JUAN VILLARMIR DE FUENTES	Plan							0.00				

Name	Name of plan	Financial instruments at start of 2023		Financial instruments granted during 2023		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
JOSE ANTONIO FERNANDEZ GALLAR	Plan							0.00				

Observations

iii) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
LUIS FERNANDO MARTIN AMODIO	
JULIO MAURICIO MARTIN AMODIO	
FRANCISCO JOSE GARCIA MARTIN	
CARMEN DE ANDRES CONDE	
CESAR CAÑEDO-ARGÜELLES TORREJON	
JUAN ANTONIO SANTAMERA SANCHEZ	
LUIS FERNANDO AMODIO GIOMBINI	
REYES CALDERON CUADRADO	
XIMENA CARAZA CAMPOS	

JUAN VILLAR-MIR DE FUENTES	
JOSE ANTONIO FERNANDEZ GALLAR	

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2023	2022	2023	2022	2023	2022	2023	2022
LUIS FERNANDO MARTIN AMODIO								
JULIO MAURICIO MARTIN AMODIO								
FRANCISCO JOSE GARCIA MARTIN								
CARMEN DE ANDRES CONDE								
CESAR CAÑEDO-ARGÜELLES TORREJON								
JUAN ANTONIO SANTAMERA SANCHEZ								
LUIS FERNANDO AMODIO GIOMBINI								
REYES CALDERON CUADRADO								

	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
Name	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2023	2022	2023	2022	2023	2022	2023	2022
XIMENA CARAZA CAMPOS								
JUAN VILLAR-MIR DE FUENTES								
JOSE ANTONIO FERNANDEZ GALLAR								

Observations

iv) Details of other items

Name	Item	Amount of remuneration
LUIS FERNANDO MARTIN AMODIO	Travel and accommodation allowances for expenses incurred in the discharge of duties / life insurance premiums	16
JULIO MAURICIO MARTIN AMODIO	Travel and accommodation allowances for expenses incurred in the discharge of duties / life insurance	4
FRANCISCO JOSE GARCIA MARTIN	Item	
CARMEN DE ANDRES CONDE	Item	
CESAR CAÑEDO-ARGÜELLES TORREJON	Item	
JUAN ANTONIO SANTAMERA SANCHEZ	Item	
LUIS FERNANDO AMODIO GIOMBINI	Item	

Name	Item	Amount of remuneration
REYES CALDERON CUADRADO	Item	
XIMENA CARAZA CAMPOS	Item	
JUAN VILLAR-MIR DE FUENTES	Item	
JOSE ANTONIO FERNANDEZ GALLAR	Health insurance, life insurance, and settlement of accrued holiday pay	46

Observations

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2023	Total in 2022
LUIS FERNANDO MARTIN AMODIO										
JULIO MAURICIO MARTIN AMODIO										
FRANCISCO JOSE GARCIA MARTIN										
CARMEN DE ANDRES CONDE										
CESAR CAÑEDO-ARGÜELLES TORREJON										
JUAN ANTONIO SANTAMERA SANCHEZ										
LUIS FERNANDO AMODIO GIOMBINI										
REYES CALDERON CUADRADO										

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total in 2023	Total in 2022
XIMENA CARAZA CAMPOS										
JUAN VILLAR-MIR DE FUENTES										
JOSE ANTONIO FERNANDEZ GALLAR										

Observations

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of plan	Financial instruments at start of 2023		Financial instruments granted during 2023		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
LUIS FERNANDO MARTIN AMODIO	Plan							0.00				
JULIO MAURICIO MARTIN AMODIO	Plan							0.00				

Name	Name of plan	Financial instruments at start of 2023		Financial instruments granted during 2023		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
FRANCISCO JOSE GARCIA MARTIN	Plan							0.00				
CARMEN DE ANDRES CONDE	Plan							0.00				
CESAR CAÑEDO-ARGÜELLES TORREJON	Plan							0.00				
JUAN ANTONIO SANTAMERA SANCHEZ	Plan							0.00				
LUIS FERNANDO AMODIO GIOMBINI	Plan							0.00				
REYES CALDERON CUADRADO	Plan							0.00				
XIMENA CARAZA CAMPOS	Plan							0.00				

Name	Name of plan	Financial instruments at start of 2023		Financial instruments granted during 2023		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of 2023	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	EBITDA from vested shares or financial instruments (EUR thousand)	No. of instruments	No. of instruments	No. of equivalent shares
JUAN VILLAR-MIR DE FUENTES	Plan							0.00				
JOSE ANTONIO FERNANDEZ GALLAR	Plan							0.00				

Observations

iii) Long-term savings schemes

Name	Remuneration from vesting of rights to savings schemes
LUIS FERNANDO MARTIN AMODIO	
JULIO MAURICIO MARTIN AMODIO	
FRANCISCO JOSE GARCIA MARTIN	
CARMEN DE ANDRES CONDE	
CESAR CAÑEDO-ARGÜELLES TORREJON	

Name	Remuneration from vesting of rights to savings schemes
JUAN ANTONIO SANTAMERA SANCHEZ	
LUIS FERNANDO AMODIO GIOMBINI	
REYES CALDERON CUADRADO	
XIMENA CARAZA CAMPOS	
JUAN VILLAR-MIR DE FUENTES	
JOSE ANTONIO FERNANDEZ GALLAR	

	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
Name	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2023	2022	2023	2022	2023	2022	2023	2022
LUIS FERNANDO MARTIN AMODIO								
JULIO MAURICIO MARTIN AMODIO								
FRANCISCO JOSE GARCIA MARTIN								
CARMEN DE ANDRES CONDE								
CESAR CAÑEDO-ARGÜELLES TORREJON								
JUAN ANTONIO SANTAMERA SANCHEZ								

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Savings schemes with vested economic rights		Savings schemes with non-vested economic rights	
	2023	2022	2023	2022	2023	2022	2023	2022
LUIS FERNANDO AMODIO GIOMBINI								
REYES CALDERON CUADRADO								
XIMENA CARAZA CAMPOS								
JUAN VILLAR-MIR DE FUENTES								
JOSE ANTONIO FERNANDEZ GALLAR								

Observations

iv) Details of other items

Name	Item	Amount of remuneration
LUIS FERNANDO MARTIN AMODIO	Item	
JULIO MAURICIO MARTIN AMODIO	Item	
FRANCISCO JOSE GARCIA MARTIN	Item	
CARMEN DE ANDRES CONDE	Item	

Name	Item	Amount of remuneration
CESAR CAÑEDO-ARGÜELLES TORREJON	Item	
JUAN ANTONIO SANTAMERA SANCHEZ	Item	
LUIS FERNANDO AMODIO GIOMBINI	Item	
REYES CALDERON CUADRADO	Item	
XIMENA CARAZA CAMPOS	Item	
JUAN VILLAR-MIR DE FUENTES	Item	
JOSE ANTONIO FERNANDEZ GALLAR	Item	

Observations

c) Summary of remuneration (thousands of euros):
This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accruing in the Company					Remuneration accruing in group compani					
Name	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2023, company	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2023, group	Total in 2023, company + group
LUIS FERNANDO MARTIN AMODIO	770			16	786						786

	Remuneration accruing in the Company					Remuneration accruing in group companies					
Name	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2023, company	Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2023, group	Total in 2023, company + group
JULIO MAURICIO MARTIN AMODIO	504			4	508						508
FRANCISCO JOSE GARCIA MARTIN	240				240						240
CARMEN DE ANDRES CONDE	160				160						160
CESAR CAÑEDO-ARGÜELLES TORREJON	140				140						140
JUAN ANTONIO SANTAMERA SANCHEZ	130				130						130
LUIS FERNANDO AMODIO GIOMBINI	140				140						140
REYES CALDERON CUADRADO	190				190						190
XIMENA CARAZA CAMPOS	65				65						65
JUAN VILLAR-MIR DE FUENTES	65				65						65

Name	Remuneration accruing in the Company: Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2023, company	Remuneration accruing in group companies: Total cash remuneration	EBITDA from vested shares or financial instruments	Remuneration by way of saving systems	Other items of remuneration	Total in 2023, group	Total in 2023, company + group
JOSE ANTONIO FERNANDEZ GALLAR	2,000			46	2,046						2,046
TOTAL	4,404			66	4,470						4,470

Observations

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	2023	% variation 2023/2022	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019
Executive Directors									
JOSE ANTONIO FERNANDEZ GALLAR	2,046	-2.71	2,103	-19.52	2,613	16.97	2,234	-15.25	2,636
LUIS FERNANDO MARTIN AMODIO	786	413.73	153	-32.30	226	145.65	92	-	0

	Total amounts accrued and % annual variation								
	2023	% variation 2023/2022	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019
JULIO MAURICIO MARTIN AMODIO	438	192.00	150	-28.23	209	198.57	70	-	0
External directors									
CARMEN DE ANDRES CONDE	160	3.23	155	-7.19	167	12.84	148	-1.33	150
CESAR CAÑEDO-ARGÜELLES TORREJON	140	7.69	130	0.00	130	4.00	125	-3.85	130
FRANCISCO JOSE GARCIA MARTIN	240	29.73	185	140.26	77	-	0	-	0
JUAN ANTONIO SANTAMERA SANCHEZ	130	0.00	130	0.00	130	4.00	125	-3.85	130
JUAN VILLAR-MIR DE FUENTES	65	-50.00	130	0.00	130	4.00	125	-3.85	130
LUIS FERNANDO AMODIO GIOMBINI	140	3.70	135	150.00	54	-	0	-	0
REYES CALDERON CUADRADO	190	8.57	175	0.00	175	15.13	152	8.57	140
XIMENA CARAZA CAMPOS	65	-	0	-	0	-	0	-	0
Consolidated results of the company									
	8,783	-	-93,497	-	42,384	-	-127,121	-19.32	-106,534
Average employee remuneration									

	Total amounts accrued and % annual variation								
	2023	% variation 2023/2022	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019
	24	-7.69	26	-3.70	27	-3.57	28	-3.45	29

Observations

D. OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

SPECIFIC DETERMINATIONS FOR THE CURRENT YEAR AS REGARDS DIRECTORS' REMUNERATION BOTH IN THEIR CAPACITY AS SUCH AND FOR EXECUTION FUNCTIONS CARRIED OUT.
In accordance with OHLA's Articles of Incorporation (the "Articles of Incorporation" or the "Articles") and the Regulations of the Board of Directors of OHLA (the "Regulations of the Board") in force, the Remuneration Policy makes a distinction between (i) remuneration for the performance of general director duties, i.e., those inherent to the position of director, excluding any remuneration that may correspond to the performance of executive duties (i.e. proprietary, independent and other external directors, the "External Directors"), (ii) remuneration for directors who perform executive duties (the "Executive Directors") and (iii) remuneration for membership of a Board committees ("Committees" or "Board Committees").
As for such specific determinations, remuneration of External Directors for performing executive duties, the Appointments and Remuneration Committee ("ARC") and the Board of Directors intend to apply the following remuneration scheme for OHLA directors in 2024 and following years, in line with the general principles explained previously:

? For External Directors in their capacity as such:
According to Article 28 of the OHLA Regulations of the Board of Directors, both the Board of Directors and the ARC shall take such measures as within their power to ensure that the remuneration of External Directors is sufficient to compensate them for, and encourage, their dedication, but no so high as to compromise their independent judgement.
Specifically, the remuneration system for External Directors is as follows:
(i) External Directors shall be paid a fixed annual amount for membership on the Board of Directors and, where applicable, additional fixed remuneration for membership of or chairing Board Committees, including the payment of expenses incurred by External Directors who are not residents in the region where the Company's registered office is located.
In addition, the independent coordinating director (the "Coordinating Director") shall receive an additional cash amount to compensate him or her for the extra dedication required for the position.
(ii) Moreover, according to the Policy and Article 24 (c) of the Articles of Incorporation, External Directors may be remunerated through the delivery of shares, share options or remuneration linked to the share price provided that application of any of these remuneration schemes is first approved at the General Shareholders' Meeting.
No remuneration of this kind has been approved for External Directors by shareholders at a General Meeting.

(iii) In accordance with the Articles of Incorporation, the Company may take out insurance policies for all directors covering third-party liability from the discharge of their duties under standard market terms and conditions bearing in mind the Company's own circumstances. Under the Remuneration Policy, according to Article 24 of OHLA's Articles of Incorporation, the maximum remuneration payable by the Company to all External Directors (the "Maximum Annual Remuneration) approved at the General Shareholders' Meeting held on 30 June 2023 via the amendment to the Remuneration Policy currently in force is EUR 2,500,000 per year. This amount shall remain in effect until the Board of Directors submits a proposal for a change to the General Shareholders' Meeting and such proposal is approved.
In any event, this remuneration shall only be distributed among OHLA External Directors, irrespective of the remuneration of members of the Board of Directors who perform executive duties.
? For Executive Directors:
As at the date of preparation of this Annual Report on Director Remuneration (the "Report"), the Company's Executive Directors are Luis Fernando Martín Amodio Herrera, Executive President of the Board of Directors (the "Executive President") and Julio Mauricio Martín Amodio Herrera, First Executive Vice President of the Board of Directors (the "Executive Vice President"), who were appointed to these positions by the Board of Directors of OHLA, based on a favourable report from the ARC, on 30 June 2023.
Executive Directors' remuneration includes the following components: (i) fixed remuneration in cash, (ii) fixed remuneration in kind, (iii) annual and multi-year variable remuneration, and (iv) extraordinary remuneration.
Although according to the Articles of Incorporation, the remuneration received by directors in their capacity as such is compatible with and independent from the remuneration received by Executive Directors for discharging their executive duties, the Board of Directors, at its meeting of 14 May 2013, agreed that Executive Directors should not receive any remuneration or fees for attending meetings for the discharge of their respective positions as directors in their capacity as such. Therefore, their remuneration comprises only the components specified above.
According to the Policy and Article 24 of the Articles of Incorporation, Executive Directors may be remunerated through the delivery of shares, share options or remuneration linked to the share price provided that application of any of these remuneration schemes is first approved at the General Shareholders' Meeting.
The Executive Directors' contracts shall state the remuneration items finally included in his remuneration scheme and they shall be those outlined in the Remuneration Policy.
The Executive Directors' remuneration is regulated in detail in their contracts approved by the Board of Directors in accordance with Articles 249 and 529 octodecies of the Corporate Enterprises Act on their appointments.

Their contracts are in compliance with the Remuneration Policy, which states there must be a maximum annual remuneration, which shall be increased by the variable remuneration in shares that, where applicable, the Company's Executive Directors may be entitled to receive for participation in multi-year variable remuneration schemes subject to approval at the Company's General Shareholders' Meeting and any severance to which he may be entitled in certain cases of termination, under the terms set out in their contracts.

DESCRIPTION OF THE PROCEDURES AND COMPANY BODIES INVOLVED IN DETERMINING, APPROVING AND APPLYING THE REMUNERATION POLICY AND ITS TERMS AND CONDITIONS.

The Company's main bodies involved in determining, reviewing and applying the Remuneration Policy are as follows:

? General Shareholders' Meeting

According to Article 24 of the Company's Articles of Incorporation and Article 27 of the Regulations of the General Shareholders' Meeting, the Remuneration Policy shall be approved by the General Shareholders' Meeting and applied for a maximum period of three (3) years, with approval included as a separate item on the meeting agenda. However, proposals for new director remuneration policies must be submitted to the General Shareholders' Meeting prior to the end of the final year of application of the previous policy. The General Shareholders' Meeting may decide that the new policy shall be applicable from the date of approval and for the ensuing three years.

Approval of the Remuneration Policy, unless given via an ad doc resolution at the General Shareholders' Meeting, shall serve as means of establishing the annual maximum remuneration of directors for performing their general duties (Maximum Annual Remuneration) and for performing executive duties.

Approval of director remuneration must also be given by the General Shareholders' Meeting when it includes the delivery of shares, share options or remuneration linked to the share price.

? Board of Directors

According to Article 24 of the Company's Articles of Incorporation, Article 25 of the Regulations of the General Shareholders' Meeting and Articles 5, 27 and 28 of the Regulations of the Board of Directors, the Board shall:

(i) propose the Remuneration Policy to the General Shareholders' Meeting;

(ii) take decisions regarding director remuneration, within the framework of the Articles of Incorporation and, where applicable, the Remuneration Policy approved by the General Shareholders' Meeting;

(iii) distribute the amount of remuneration it sees fit to directors in their capacity as such, individually, within the annual maximum remuneration approved by the General Shareholders' Meeting, based on a report by the ARC;

(iv) take, together with the ARC, all measures to ensure that remuneration of external directors is sufficient to compensate them for, and encourage, their dedication, but no so high as to compromise their independent judgement;

(v) approve, where executive functions are attributed to a member of the Board of Directors, the contract between the director and the Company. This contract, which must be in compliance with the Remuneration Policy and the Articles of Incorporation, shall detail all items for which the director may receive remuneration for performing executive duties;

(vi) determine the individual remuneration of each director for performing executive duties within the framework of the Remuneration Policy

and as provided for in their contract, based on a report from the ARC;

(vii) prepare and publish an annual report on director remuneration, which shall be submitted to a consultative vote at the General Shareholders' Meeting as a separate item on the agenda.

? Appointments and Remuneration Committee

According to Article 16 of the Board Regulations, the ARC's duties shall include: (i) proposing to the Board of Directors the remuneration policy for directors and general managers or those who carry out their senior management functions reporting directly to the Board, Executive Committees or Chief Executive Officers, as well as the individual remuneration and other contractual conditions of executive directors and the criteria for the rest of the Group's senior management, ensuring that they are observed;

(ii) reviewing, periodically, the remuneration programmes, assessing their appropriateness and performance; (iii) monitoring remuneration transparency;

(iv) reviewing, periodically, the remuneration policy applied to directors and senior executives, including share-based remuneration schemes and their implementation, as well as ensuring that individual remuneration is proportionate to amounts paid to other of the Company's directors and key management personnel;

(v) verifying the information on director and senior executive remuneration contained in the various corporate documents, including the Annual Report on Director Remuneration.

The ARC shall comprise no fewer than three and no more than seven External Directors, of whom at least two shall be independent, appointed based on their knowledge, skills and experience for discharging their responsibilities

As at the date of preparation of this Report, the RNC was composed of the following: Director Position Type

Reyes Calderón Cuadrado Chairman Independent

Francisco García Martín Member Independent

Juan Antonio Santamera Sánchez Member Independent. Ximena

Caraza Campos Member Independent

The secretary of the Board of Directors, and in his or her absence the deputy secretary of the Board of Directors, will act as secretary of the ARC. OHLA's RNC shall meet at least three times a year. It shall also meet whenever the Board or its chairperson requests that a report be issued or a proposal be adopted and, in any case, whenever it is deemed necessary for the proper performance of its functions.

In 2024, and up to the date of preparation of this Report, the RNC had held two meetings.

COMPARABLE COMPANIES TAKEN INTO ACCOUNT TO ESTABLISH THE COMPANY'S REMUNERATION POLICY.

The Board of Directors shall ensure that the remuneration of its members is competitive in comparison with remuneration for performing similar functions in peer or comparable companies, based in all cases on the general principles underlying the Remuneration Policy.

The general principles underpinning OHLA's Remuneration Policy take into account market trends and is devised in accordance with the Company's strategic focus, and is effective in attracting, motivating and retaining the best people so as to be aligned with the remuneration offered by comparable companies.

INFORMATION ON WHETHER ANY EXTERNAL ADVISORS TOOK PART IN THIS PROCESS AND, IF SO, THEIR IDENTITY.
In preparing the Remuneration Policy submitted for approval at the 2022 General Shareholders' Meeting and the the amendment approved at the 2023 General Shareholders' Meeting, OHLA received specialist advice from J&A Garrigues, S.L.P. which also provided advice to the Company on the preparation of this Report.

PROCEDURES SET FORTH IN THE CURRENT REMUNERATION POLICY FOR DIRECTORS IN ORDER TO APPLY TEMPORARY EXCEPTIONS TO THE POLICY, CONDITIONS UNDER WHICH THOSE EXCEPTIONS CAN BE USED AND COMPONENTS THAT MAY BE SUBJECT TO EXCEPTIONS ACCORDING TO THE POLICY.
There were no deviations from the procedure for applying the Remuneration Policy and no temporary exceptions to the policy were applied or limits exceeded.

This annual remuneration report has been approved by the Board of Directors of the company on:

20/03/2024

Indicate whether any director voted against or abstained from approving this report.

[ ] Yes
[√] No

STATEMENT OF RESPONSIBILITY AND AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS AND MANAGEMENT REPORT

The directors hereby state that, to the best of their knowledge, the separate financial statements and management report for the year ended 31 December 2023 have been prepared in accordance with the applicable accounting principles and give a true and fair view of the equity, financial position and results of Obrascón Huarte Lain, S.A.

The Board of Directors, at its meeting held on 20 March 2024, authorised for issue these separate financial statements and management report with a view to their assurance by the auditors and subsequent approval at the General Shareholders' Meeting.

These separate financial statements (comprising the statement of financial position, statement of profit or loss, statement of changes in equity, statement of cash flows, notes to the financial statements and appendices thereto) and the separate management report are signed by the following Company directors.

Luis Fernando Martín Amodio Herrera	Julio Mauricio Martín Amodio Herrera	Carmen de Andrés Conde
César Cañedo-Arguelles Torrejón	Francisco García Martín	Juan Antonio Santamera Sánchez
Luis Fernando Amodio Giombini	Reyes Calderón Cuadrado	Ximena Caraza Campos