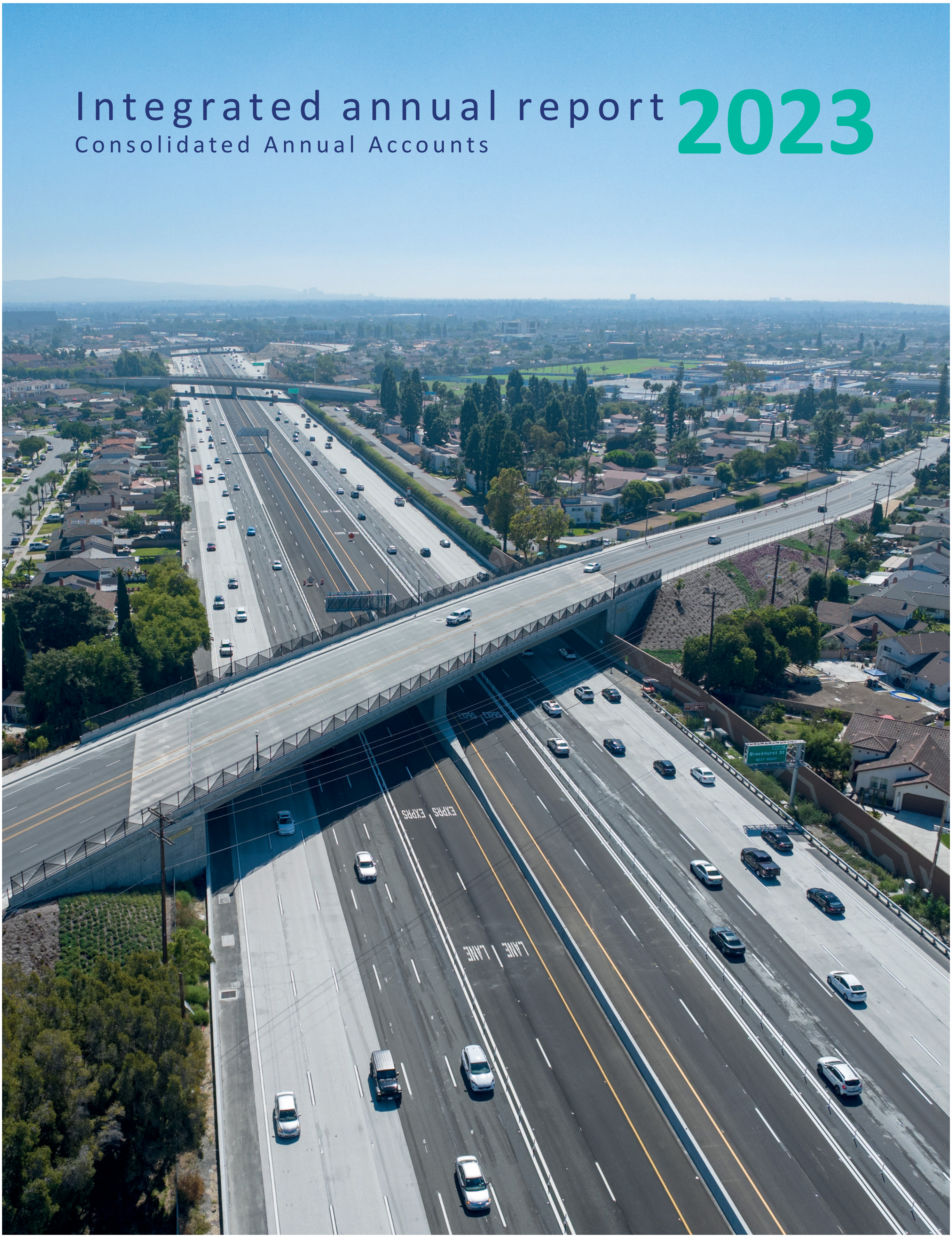
OHLA
Progress Enablers

Integrated annual report 2023

Consolidated Annual Accounts



Contents

Consolidated Financial Statements **2023**

Contents

Consolidated Financial Statements **2023**

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of financial position as at 31 December 2023 and 31 December 2022

ASSETS	Note	31/12/23	31/12/22
NON-CURRENT ASSETS			
Intangible assets	3.1.		
Intangible assets		492,240	505,125
Accumulated amortisation		(380,317)	(365,631)
		111,923	**139,494**
Concession infrastructure	3.2.		
Intangible asset model		451	563
Financial asset model		33,415	10,096
		33,866	**10,659**
Property, plant and equipment	3.3.		
Land and buildings		152,050	150,668
Machinery		420,666	423,840
Other installations, equipment and furniture		102,934	112,728
Property, plant and equipment under construction and advances		17,646	12,741
Other property, plant and equipment		86,850	92,046
Accumulated depreciation and provisions		(540,284)	(530,058)
		239,862	**261,965**
Investment properties	3.4.	**3,985**	**4,222**
Goodwill	3.5.	**36,241**	**36,998**
Non-current financial assets	3.6.		
Investment securities		3,892	62,514
Other loans		111,337	110,079
Deposits and guarantees given		15,332	16,967
Provisions		(43,971)	(53,183)
		86,590	**136,377**
Investments accounted for using the equity method	3.7.	**151,738**	**149,960**
Deferred tax assets	3.21.	**79,328**	**90,259**
TOTAL NON-CURRENT ASSETS		**743,533**	**829,934**
CURRENT ASSETS			
Non-current assets held for sale	3.8.	**164,785**	**28,814**
Inventories			
Embodiment items, fungibles and replacement parts for machinery		42,722	39,470
Auxiliary shop projects and site installations		10,115	32,971
Advances to suppliers and subcontractors		40,616	38,779
Provisions		(3)	(4,131)
		93,450	**107,089**

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of financial position as at 31 December 2023 and 31 December 2022

Trade and other receivables	3.9.		
Trade receivables		1,175,402	1,265,077
Receivables from associates		155,728	144,222
Employee receivables		1,290	1,437
Receivables from public authorities		81,271	92,157
Other receivables		81,582	59,191
Provisions		(102,715)	(108,582)
		1,392,558	**1,453,502**
Current financial assets	3.6.		
Investment securities		27,866	48,397
Other loans		17,681	15,071
Deposits and guarantees given		185,913	182,270
Provisions		(13,212)	(13,362)
		218,248	**232,376**
Current income tax assets		**6,846**	**10,064**
Other current assets		**44,632**	**63,224**
Cash and cash equivalents	3.10.	**596,640**	**469,311**
TOTAL CURRENT ASSETS		**2,517,159**	**2,364,380**
TOTAL ASSETS		**3,260,692**	**3,194,314**

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of financial position as at 31 December 2023.

EQUITY AND LIABILITIES	Note	31/12/23	31/12/22
EQUITY			
Share capital	3.11.	147,781	147,781
Share premium	3.12.	1,205,479	1,328,128
Treasury shares	3.13.	(322)	(341)
Reserves	3.14.	(709,220)	(633,687)
Reserves in consolidated companies		(81,310)	(185,878)
Valuation adjustments	3.15.	(73,825)	(764)
Consolidated profit/(loss) for the year attributable to equity holders of the parent		5,523	(96,840)
		-	-
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**494,106**	**558,399**
Non-controlling interests	3.16.	**3,188**	**(1,144)**
TOTAL EQUITY		**497,294**	**557,255**

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of financial position as at 31 December 2023 and 31 December 2022

NON-CURRENT LIABILITIES			
Issue of notes and other marketable securities	3.17.1		
Issue of corporate notes		417,040	428,400
		-	-
		417,040	**428,400**
Bank borrowings	3.17.2		
Mortgage and other loans		3,217	3,692
		-	-
		3,217	**3,692**
Other financial liabilities	3.18.	**45,089**	**45,414**
Deferred tax liabilities	3.21.	**56,398**	**67,128**
Provisions	3.19.	**57,997**	**70,848**
Deferred income		**30,821**	**40**
Other non-current liabilities	3.20.	**104,590**	**32,803**
TOTAL NON-CURRENT LIABILITIES		**715,152**	**648,325**
CURRENT LIABILITIES			
Liabilities associated with non-current assets held for sale	3.8	**73,046**	**42**
Issue of notes and other marketable securities	3.17.1		
Issue of corporate notes		12,116	8,707
		-	-
		12,116	**8,707**
Bank borrowings	3.17.2		
Mortgage and other loans		89,177	26,778
Loans from concession operators		-	-
Unmatured accrued interest payable		1,063	-
		-	-
		90,240	**26,778**
Other financial liabilities	3.18.	**19,614**	**19,233**
Advances received from customers			
Trade payables	3.9.	450,646	540,855
Notes payable		957,678	925,020

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of financial position as at 31 December 2023 and 31 December 2022

		76,428	60,403
		1,484,752	**1,526,278**
Provisions	3.19.	**134,406**	**178,864**
			-
Current income tax liabilities		**23,631**	**9,337**
Other current liabilities	3.20.		
Payable to associates		52,816	59,464
Salaries payable		34,044	36,748
Payables to public authorities	3.21.	77,378	74,447
Other non-trade payables		44,805	47,370
Guarantees and deposits received		1,226	1,225
Other current liabilities		172	241
		210,441	**219,495**
TOTAL CURRENT LIABILITIES		**2,048,246**	**1,988,734**
TOTAL EQUITY AND LIABILITIES		**3,260,692**	**3,194,314**

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of financial position as at 31 December 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of profit or loss for the year ended 31 December 2023 and 2022

	Note	2023	2022 (*)
Revenue	3.22.	3,131,514	2,865,380
Other operating income	3.22.	178,574	92,965
Total revenue		**3,310,088**	**2,958,345**
Cost of sales	3.22.	(1,750,249)	(1,655,493)
Staff costs	3.22.	(656,896)	(583,184)
Other operating expenses	3.22.	(776,854)	(617,076)
Amortisation and depreciation		(80,162)	(78,701)
Change in provisions		44,741	15,068
OPERATING PROFIT		**90,668**	**38,959**
Finance income	3.22.	30,333	14,135
Finance costs	3.22.	(84,170)	(71,755)
Net exchange differences	3.22.	14,134	(21,687)
Net gain/(loss) on remeasurement of financial instruments at fair value	3.22.	1,906	188
Share of profit/(loss) of companies accounted for using the equity method	3.22.	10,983	(4,546)
Impairment and gains/(losses) on disposal of financial instruments	3.22	(19,631)	(21,767)
PROFIT/(LOSS) BEFORE TAX		**44,223**	**(66,473)**
Profit/(loss) after tax for the year from discontinued operations	3.21.	(38,167)	(30,511)
CONSOLIDATED PROFIT/(LOSS) FOR PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS YEAR		**6,056**	**(96,984)**
Profit/(loss) after tax for the year from discontinued operations	3.8.	2,727	3,487
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR		**8,783**	**(93,497)**
Non-controlling interests		(3,260)	(3,343)
Profit/(loss) from discontinued operations attributable to non-controlling interests		-	-
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**5,523**	**(96,840)**
Earnings/(loss) per share:			
Basic	1.5.	0.01	(0.16)
Diluted	1.5.	0.01	(0.16)
Earnings/(loss) per share from discontinued operations:			
Basic	1.5.	0.00	0.01
Diluted	1.5.	0.00	0.01

(*) Restated

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of profit or loss for the year ended 31 December 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of recognised income and expense for the year ended 31 December 2023 and 2022

Statement of recognised income and expense	2023	2022
CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR	**8,783**	**(93,497)**
OTHER COMPREHENSIVE INCOME RECOGNISED DIRECTLY IN EQUITY		
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	(44,193)	-
Financial assets at fair value through other comprehensive income (Note 3.6.)	(44,193)	-
ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS	(26,169)	28,632
Translation differences	(26,169)	28,632
a) Valuation gains/(losses)	(26,194)	26,047
b) Amounts transferred to profit or loss	25	2,585
OTHER COMPREHENSIVE INCOME FOR THE YEAR	**(70,362)**	**28,632**
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**(61,579)**	**(64,865)**
Attributable to equity holders of the parent	(64,337)	(67,745)
Attributable to non-controlling interests	2,758	2,880

Note: The accompanying notes 1 to 5 and appendices thereto are an integral part of the consolidated statement of recognised income and expense or the year ended 31 December 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

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

	Equity attributable to equity holders of the parent							
	Share capital	Share premium and reserves	Treasury shares	Consolidated profit/(loss) for the year attributable to equity holders of the parent	Valuation adjustments	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Closing balance at 31 December 2021	**147,781**	**500,913**	**(504)**	**5,945**	**(29,859)**	**624,276**	**(3,927)**	**620,349**
Total recognised income/(expense)	-	-	-	(96,840)	29,095	(67,745)	2,880	(64,865)
Transactions with equity holders or owners	**-**	**(342)**	**163**	**-**	**-**	**(179)**	**-**	**(179)**
'Treasury share transactions	-	(342)	163	-	-	(179)	-	(179)
Other changes in equity	**-**	**7,992**	**-**	**(5,945)**	**-**	**2,047**	**(97)**	**1,950**
Transfers between equity items	-	5,945	-	(5,945)	-	-	-	-
Other changes	-	2,047	-	-	-	2,047	(97)	1,950
Closing balance at 31 December 2022	**147,781**	**508,563**	**(341)**	**(96,840)**	**(764)**	**558,399**	**(1,144)**	**557,255**
Total recognised income/(expense)	-	-	-	5,523	(69,860)	(64,337)	2,758	(61,579)
Transactions with equity holders or owners	**-**	**(22)**	**19**	**-**	**-**	**(3)**	**-**	**(3)**
Treasury share transactions	-	(22)	19	-	-	(3)	-	(3)
Other changes in equity	**-**	**(93,592)**	**-**	**96,840**	**(3,201)**	**47**	**1,574**	**1,621**
Transfers between equity items	-	(96,840)	-	96,840	-	-	-	-
Other changes	-	3,248	-	-	(3,201)	47	1,574	1,621
Closing balance at 31 December 2023	**147,781**	**414,949**	**(322)**	**5.523**	**(73,825)**	**494,106**	**3,188**	**497,294**

Note: The accompanying notes 1 to 5 and appendices thereto are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2023.

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of cash flows for the year ended 31 December 2023 and 2022

	2023	2022 (*)		
A) NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	**199,602**	**(9,479)**	**7,644**	**191,959**
Profit/(loss) before tax	**44,223**	**(66,473)**	**-127120,6211**	**171,344**
Adjustments for:	**81,866**	**169,065**	**194635,6211**	**(112,770)**
Amortisation and depreciation	80,162	78,701	74582	5,580
Other adjustments to profit/(loss)	1,704	90,364	120053,6211	(118,350)
Working capital changes	**55,391**	**(78,287)**	**-84569**	**139,960**
Other cash flows from/(used in) operating activities	**18,122**	**(33,784)**	**24697,77889**	**(6,575)**
Dividends received		4,739	3255,778888	(1,456)
Income tax recovered/(paid)		(24,661)	-12620	(11,325)
Other amounts received from/(paid for) operating activities		(13,862)	34062	6,206
B) NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	**(6,321)**	**134,202**	**(12,929)**	**6,608**
Payments for investments	**(95,601)**	**(70,020)**	**-52215**	**(43,386)**
Group companies, associates and business units	(25,549)	(24,735)	-26630	1,081
Property, plant and equipment, intangible assets and investment properties	(38,619)	(27,184)	-24741	(13,878)
Other financial assets	(31,433)	(18,101)	-844	(30,589)
	-	-	0	-
Proceeds from sale of investments	**62,712**	**192,904**	**25982**	**36,730**
Group companies, associates and business units	52,395	34,167	13620	38,775
Property, plant and equipment, intangible assets and investment properties	10,317	7,033	12362	(2,045)
Other financial assets	-	151,704	0	-
			0	-
Cash flows from investing activities	26,568	11,318	13303.6	13,264
Interest received	26,890	11,318	13303.6	13,586
Other amounts received from/(paid for) investing activities	(322)	-	0	(322)
C) NET CASH FLOWS USED IN FINANCING ACTIVITIES	**(43,111)**	**(179,451)**	**(59,260)**	**16,149**
Proceeds from (and payments for) equity instruments	**(3)**	**(179)**	**-120**	**117**
	-	-		-
Acquisition	(18,737)	(17,215)	-18728	(9)
Disposal	18,734	17,036	18608	126
Proceeds from (and payments for) financial liability instruments	**32,551**	**(84,045)**	**20011**	**12,540**
				-
Issue	65,340	15,489	107312	(41,972)

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Consolidated statement of cash flows for the year ended 31 December 2023 and 2022

Redemption and repayment	(32,789)	(99,534)	-87301	54,512
	-	-	0	-
Other cash flows from/(used in) financing activities	**(75,659)**	**(95,227)**	**-79151**	**3,492**
				-
Interest paid	(52,231)	(43,885)	-54492	2,261
Other amounts received from/(paid for) financing activities	(23,428)	(51,342)	-24659	1,231
D) EFFECT OF FOREIGN EXCHANGE DIFFERENCES ON CASH AND CASH EQUIVALENTS	**(7,795)**	**13,070**	**(19,882)**	**12,087**
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C+D)	**142,375**	**(41,658)**	**(84,428)**	**226,803**
F) CASH AND CASH EQUIVALENTS AT 1 JANUARY	**454,265**	**495,923**	**555,442**	**(101,177)**
G) CASH AND CASH EQUIVALENTS AT 31 DECEMBER (E+F)	**596,640**	**454,265**	**471,014**	**125,626**
				-
COMPONENTS OF CASH AND CASH EQUIVALENTS AT 31 DECEMBER				**581,057**
Cash in hand and at banks	581,057	434,666	450324,3789	(434,741)
Other financial assets	15,583	19,599	20690	(5,107)
TOTAL CASH AND CASH EQUIVALENTS AT 31 DECEMBER	**596,640**	**454,265**	**471,014**	**125,626**
CASH FLOWS FROM DISCONTINUED OPERATIONS				
A) Operating activities	9,221	18,796	0	
B) Investing activities	(11,650)	(11,238)	0	
C) Financing activities	389	(4,043)	0	
D) Net cash flows from discontinued operations (A+B+C)	**(2,040)**	**3,515**	**0**	

(*) Restated

Note: The accompanying Notes 1 to 5 and the appendices thereto are an integral part of the consolidated statement of cash flows for the year ended 31 December 2023.

1

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

1.1 Name and registered address

Obrascón Huarte Lain, S.A., was incorporated on 15 May 1911 as a Spanish public limited company (sociedad anónima), with registered address at Paseo de la Castellana, 259 D Madrid, Spain. Its previous name was Sociedad General de Obras y Construcciones Obrascón, S.A.

Obrascón Huarte Lain, S.A. (the Parent) and its subsidiaries (OHLA Group) form a consolidated group operating primarily in Spain, the US, Latin America and the rest of Europe.

1.2.- Business sectors

The companies comprising OHLA Group conduct business mainly in the following sectors:

Construction

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

Industrial

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

Services (discontinued operation)

Cleaning, maintenance and urban, and waste management services in buildings, homes, offices, urban green areas and road networks, and social and health services (see Note 3.8).

Other

The Group engages in other minor activities, which at the reporting date are not disclosed separately since they do not represent a significant portion of total revenue. These included Development, relating to the development and operation of premium or luxury mixed-use hotels, and Concession Development, entailing the construction, execution, operation and conservation of all types of infrastructure and works. It also includes all Corporate activities (expenses and adjustments).

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

Profit/(loss) for the year

Consolidated profit attributable to equity holders of the parent for the year ended 31 December 2023 amounted to EUR 5,523 thousand.

	EUR thousand	
Item	**2023**	**2022 (*)**
Revenue	3,131,514	2,865,380
EBITDA(**)	**126,089**	**102,592**
EBIT	**90,668**	**38,959**
Financial profit/(loss) and other profit/(loss)	(46,445)	(105,432)
Profit/(loss) before tax	**44,223**	**(66,473)**
Income tax expense	(38,167)	(30,511)
Profit/(loss) for the year from continuing operations	**6,056**	**(96,984)**
Profit/(loss) for the year from discontinued operations	2,727	3,487
Consolidated profit/(loss) for the year	**8,783**	**(93,497)**
Non-controlling interests	(3,260)	(3,343)
Profit/(loss) for the year attributable to equity holders of the parent	**5,523**	**(96,840)**

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

Trend in equity attributable to equity holders of the parent

Set out below are the changes in equity attributable to equity holders of the parent in 2023 and 2022:

Concept	EUR thousand
Balance at 31 December 2021	**624,276**
Profit/(loss) for 2022 attributable to equity holders of the parent	(96,840)
Translation differences	29,095
Other changes	1,868
Balance at 31 December 2022	**558,399**
Profit/(loss) for 2023 attributable to equity holders of the parent	5,523
Changes in fair value of equity investments at fair value through other comprehensive income	(44,193)
Translation differences	(25,667)
Other changes	44
Balance at 31 December 2023	**494,106**

Changes in cash flows

The following table presents changes in cash flows in 2023 compared to the previous year by operating, investing and financing activities:

	EUR thousand		
Cash flows	**31/12/2023**	**31/12/2022 (*)**	**Difference**
Operating activities	199,602	(9,479)	209,081
Investing activities	(6,321)	134,202	(140,523)
Financing activities	(43,111)	(179,451)	136,340
Effect of foreign exchange differences on cash and cash equivalents	(7,795)	13,070	(20,865)
Net increase/(decrease) in cash and cash equivalents	**142,375**	**(41,658)**	**184,033**
Cash and cash equivalents at 1 January (*)	**454,265**	**495,923**	**(41,658)**
Cash and cash equivalents at 31 December	**596,640**	**454,265**	**142,375**

(*) Restated

1.4 Proposed distribution of loss and dividends

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

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

1.5 Earnings per share (EPS)

Basic earnings per share

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

Diluted EPS

Diluted EPS is calculated similarly to basic EPS, except the weighted average number of shares outstanding is increased by share options, warrants and convertible debt.

There were no differences between the basic earnings per share and diluted earnings per share at 31 December 2023 and 2022.

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022 (*)**
Weighted average number of shares outstanding	590,424,105	590,471,633
Consolidated profit/(loss) for the year attributable to equity holders of the parent	5,523	(96,840)
Basic earnings/(loss) per share = Diluted earnings/(loss) per share	**0.01**	**(0,16)**
Profit/(loss) after tax for the year from discontinued operations	2,727	3,487
Basic earnings/(loss) per share = Diluted earnings/(loss) per share from discontinued operations	**0.00**	**0.01**

(*) Restated

2 BASIS OF PREPARATION AND CONSOLIDATION

2.1. Basis of preparation

OHLA Group's consolidated financial statements for the year ended 31 December 2023 were:

- Authorised for issue by the Parent's directors at the meeting of the Board of Directors held on 20 March 2024.
- Prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union.
- Prepared applying all mandatory accounting policies and measurement bases with a significant impact on the consolidated financial statements. The significant accounting policies and measurement bases applied in the preparation of the Group's consolidated 2023 financial statements are summarised in Note 2.6.
- Prepared so that they give a true and fair view of the Group's consolidated equity and consolidated financial position as at 31 December 2023, and the results of its operations, the consolidated recognised income and expense, the changes in consolidated equity and the consolidated cash flows in 2023.
- Prepared on the basis of the accounting records kept by the Parent and by the other Group companies.

However, since the accounting policies and measurement bases used in preparing the Group's 2023 consolidated financial statements differ in some cases from those used by certain Group entities (local GAAP), the required uniformity adjustments to the policies and methods used and reclassifications were made on consolidation to make them compliant with International Financial Reporting Standards (IFRSs).

The Group's 2022 consolidated financial statements were approved by the Parent's shareholders at the Annual General Meeting held on 30 June 2023.

The Group's consolidated financial statements and the financial statements of the Parent and Group companies for 2023 have not yet been approved by the shareholders at their respective General Meetings. However, the Parent's Board of Directors considers that they will be approved without any changes.

2.2 International Financial Reporting Standard (IFRSs)

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

The following standards were approved for use in the European Union in 2023:

Standard, interpretation or amendment		Effective date
IFRS 17 Insurance Contracts	Replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts to ensure that an entity provides relevant and reliable information.	1 Jan. 2023
IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	Amendment to transition requirements in IFRS 17 for insurance companies that first apply IFRS 17 and IFRS 9 at the same time.	1 Jan. 2023
Definition of Accounting Estimates (Amendments to IAS 8)	Amendments and clarifications on how a change in an accounting estimate should be understood.	1 Jan. 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	Amendments to explain how an entity can identify which material accounting policies to disclose in their financial statements.	1 Jan. 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	Clarifications on how entities should recognise deferred tax on transactions such as leases and decommissioning obligations.	1 Jan. 2023
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)	This amendment introduces a temporary exemption to the accounting for deferred tax assets and liabilities in IAS 12 related to Pillar Two income taxes. The amendment also adds disclosure requirements.	1 Jan. 2023

The amendments to IAS 12 *Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction* narrow the scope of the initial recognition exemption of temporary differences, so that it no longer applies to transactions that give rise to equal and offsetting temporary differences. In applying these amendments, the Group calculated separately on initial recognition and subsequently the deferred tax assets and liabilities arising from the related transactions based on the applicable tax laws in each jurisdiction. First-time application of the amendments to IAS 12 where the deferred tax assets and liabilities meet the requirements for offsetting did not have any impact on the consolidated statement of financial position.

The rest of the standards, interpretations or amendments did not have any impact on the Group's accounting policies applied in the preparation of the 2023 consolidated financial statements.

Global minimum tax (Pillar Two)

In recent years, developments in international regulations have resulted in the adoption of measures to reinforce the fight against aggressive tax planning in a globalised market. In this respect, based on an initiative against base erosion and profit shifting (BEPS), the OECD has been developing a set of international tax measures, including those designed to reduce tax competition regarding income tax rates by setting a global minimum tax for multinational enterprise groups (MNEs) with consolidated revenue of EUR 750 million or more, known as the Global Anti-Base Erosion Rules (Pillar Two).

In the same vein, the European Union approved Directive (EU) 2022/2523 of 14 December on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union applicable for tax periods beginning on or after 31 December 2023. Accordingly, where the effective tax rate of a specific jurisdiction in which constituent entities of a multinational enterprise (MNE) group or large-scale domestic group are located is below 15%, an additional or top-up tax will be collected until the global minimum rate of 15% is reached.

As at 31 December 2023, this Directive had yet to be transposed in Spain. There is a draft bill establishing the top-up tax to guarantee a global minimum level of taxation for MNE groups and large-scale domestic groups. This regulation is expected to be effective for fiscal years beginning on 31 December 2023. The period for filing the first statement of the top-up tax for 2024 would run until June 2026. As a result, as at 31 December 2023, the Group did not recognise any impact of the Pillar Two rules on current tax expense or, therefore, on its consolidated financial statements.

As of 2024, the Group must assume, where appropriate, payment of a top-up tax on its profits obtained in any jurisdiction where it has operations and the effective tax rate for that jurisdiction is below the minimum rate of 15%.

For accounting purposes, in May 2023 the International Accounting Standards Board (IASB) issued amendments to IAS 12 Income Taxes in line with the international tax reform. The objective of the IASB was to provide certain safeguards and avoid different interpretations of IAS 12 due to the complexity of the law and potential differences in timing of the enactment of new regulations in different jurisdictions. These amendments introduce a temporary exception from mandatory accounting for deferred taxes arising from the implementation of the Pillar Two rules. In this respect, this temporary exception is introduced in the local reporting framework for separate and consolidated financial statements in Spain.

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

As at the date of preparation of these financial statements, the following standards and interpretations had been issued by the IASB, but were not yet effective:

Standard, interpretation or amendment		Effective date
Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	These amendments provides clarifications regarding presentation of liabilities as current or non-current, particularly those whose settlement is contingent on compliance with covenants.	1 Jan. 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	This amendment clarifies the subsequent accounting of leases arising in sale and leaseback transactions.	1 Jan. 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	The amendments introduce specific disclosure requirements for supplier finance arrangements and their effects on a company's liabilities and cash flows, including exposure to liquidity risk, and management of the related risks.	1 Jan. 2024
Lack of Exchangeability (Amendments to IAS 21)	This amendment establishes an approach specifying when a currency is exchangeable into another currency and, when it is not, determining the exchange rate to use.	1 Jan. 2025

The Group intends to apply the new standards, interpretations and amendments when they become effective, to the extent applicable to the Group. Although the Group is currently in the process of analysing their impact, based on the analysis performed to date, it estimates that their first-time application will not have a significant impact on its consolidated financial statements.

2.3 Functional currency

These consolidated financial statements are presented in euros (EUR), as this is the currency of the primary economic area in which the Group operates. However, a significant part of the Group's business is carried out in geographies with a functional currency that is not the euro. Foreign operations are accounted for in accordance with the policies described in Note 2.6.8.

2.4 Responsibility for the information and use of estimates

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

The preparation of the 2023 consolidated financial statements required key management personnel of the Parent and consolidated companies to make estimates, which are subsequently ratified by their directors, that affect the reported amounts of certain assets, liabilities, revenues and expenses. These estimates relate basically to:

- Assessment of possible impairment losses on certain assets (see Notes 2.6.5, 2.6.6, 3.1, 3.2, 3.3, 3.4 and 3.5).
- The useful life of intangible assets and property, plant, and equipment (see Notes 2.6.1 and 2.6.3).
- The recognition of construction contract revenue and contract costs (see Notes 2.6.11, 3.9 and 3.22).
- The amount of certain provisions (see Notes 2.6.10 and 3.19).
- The fair value of assets acquired in business combinations and goodwill (see Note 3.5).
- The fair value of financial liabilities.
- The fair value of certain unquoted assets.
- The fair value of assets and liabilities classified as held for sale.
- The assessment of potential contingencies for employment, tax and legal risks (see Notes 3.20, 3.21 and 4.6.2.2).
- Financial risk management (see Note 4.2.).

Although these estimates were made on the basis of the best information available at the reporting date regarding the facts analysed, future events could make it necessary to revise these estimates after 31 December 2023. Any changes in accounting estimates would be applied prospectively in accordance with IAS 8, with the effects of the change in accounting estimates recognised in the consolidated statement of profit or loss of the periods affected.

As required by IAS 1, the information relating to 2022 is presented for comparative purposes with the information for 2023 and, accordingly, does not constitute the Company's complete 2022 consolidated financial statements.

2.4.1 Comparative information

The information relating to 2022 is presented exclusively for comparative purposes with the information for 2023. Following the reclassification of the Services activity as a discontinued operation in the interim financial statements for the first half of the year, the Group restated 2022 figures, described in Note 3.8. Therefore, information for the comparative period for 2022 presented differs from the information included in the consolidated annual financial statements approved at 31 December 2022.

2.5 Basis of consolidation

Subsidiaries

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

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

- Power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of its returns.

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

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

Joint operations

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

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

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

Joint ventures

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

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

Associates

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

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

Scope of consolidation

Appendix I lists the most significant companies included in the scope of consolidation as at 31 December 2023.

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

Changes in the scope of consolidation

The main changes in the scope of consolidation in the year ended 31 December 2023 are described in Appendix IV.

Inclusions	No. of companies
Full consolidation	4
Equity method	1
Total inclusions	**5**

Exclusions	No. of companies
Full consolidation	4
Total exclusions	**4**

Among inclusions:

- On 18 April 2023, Sociedad Concesionaria Instituto Nacional del Cáncer, S.A. was incorporated in Chile. This company, which is 100% owned by group companies, was set up to design, build, preserve and operate a hospital in Santiago de Chile.

There were no significant exclusions from the Group in 2023.

2.6 Accounting policies

The accounting policies, and measurement bases, used by the Group in preparing the 2023 consolidated financial statements are disclosed below.

2.6.1 Intangible asset mode

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

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

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

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

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

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

At the end of each reporting period the goodwill allocated to the customer portfolio of US companies is tested for impairment using cash flow projections, discounted in 2023 and 2022 at a rate of 9%.

2.6.2 Concession infrastructure

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

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

2.6.2.1 Concession infrastructure classified as an intangible asset

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

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

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

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

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

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

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

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

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

2.6.2.2 Concession infrastructure classified as a financial asset

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

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

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

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

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

2.6.3 Property, plant and equipment

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

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

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

The Group capitalises interest during the construction phase of its property, plant and equipment as described in Note 2.6.13.

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

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

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

Concept	Years of useful
Buildings	25-50
Machinery	6-16
Other installations, equipment and furniture	10
Other property, plant and equipment	3-5

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

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

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

2.6.4 Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment at the end of each reporting period. Where there is any indication of impairment, the carrying amount is reduced to recoverable amount and the impairment loss is recognised in profit or loss. An impairment loss recognised for goodwill may not be reversed in a subsequent period.

2.6.5 Impairment of non-current assets

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

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

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

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

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

Concession infrastructure

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

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

Goodwill

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

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

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

2.6.6 Financial assets

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

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

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

Derecognition of financial assets

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

2.6.8 Foreign currencies

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

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

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

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

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

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

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

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

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

2.6.9 Bank borrowings, and issues of notes and other marketable securities

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

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

2.6.10 Provisions

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

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

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

The most significant provisions are:

Provisions for taxes

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

Provisions for litigation and third-party liability

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

Provisions for the completion of construction projects

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

Provisions for management and other fees

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

Other trade provisions

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

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

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

Provisions for future losses

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

2.6.11 Revenue recognition

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

i) Core principle

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

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

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

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

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

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

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

iii) Statement of financial position balances related to revenue recognition

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

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

Costs to obtain and fulfil contracts

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

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

Costs to fulfil a contract (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 Group had the contract not been obtained. They are recognised in profit or loss on the basis of the proportion of actual output to estimated output under each contract. Otherwise, these costs are recognised directly in profit or loss.

iv) Provisions relating to contracts with customers

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

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

Provisions for budgeted losses: these provisions are recognised immediately when it is evident that total contract costs will exceed total contract revenues.

v) Financing component

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

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

2.6.12 Leases and right of use

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

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

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

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

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

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

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

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

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

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

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

2.6.13 Borrowing costs

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

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

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

2.6.14 Income tax expense

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

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

At 31 December 2023, most of the Spanish Group companies were taxed under the consolidated tax regime. Accordingly, the income tax expense recognised in the consolidated statement of profit or loss related to the sum of the tax expense of the consolidated tax group companies and the tax expense of companies not forming part of the consolidated tax group, which are mainly the foreign operations.

2.6.15 Consolidated statement of cash flows

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

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

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

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

  Dividends received may be classified as operating cash flows or investing cash flows. The Group elects to classify them as operating cash flows.
- **Cash flows from investing activities:** those arising from the acquisition and disposal of long-term assets.

  Interest received may be classified as operating cash flows or investing cash flows. The Group elects to classify them as investing cash flows.
- **Cash flows from financing activities:** those arising from changes in borrowings, payment of the dividend, interest paid, changes in non-controlling interests and interest payments associated with leases of property, plant and equipment with a term of more than one year and of a significant value. Interest paid may be classified as operating cash flows or financing cash flows. The Group elects to classify them as financing cash flows.

2.6.16 Trade and other payables

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

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

As at 31 December 2023, the balance of “reverse factoring” in “Trade and other payables” amounted to EUR 6,995 thousand and related primarily to temporary business associations or joint ventures (UTEs) (2022: EUR 2,721 thousand).

2.6.17 Termination and post-employment benefits

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

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

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

3

NOTES TO THE FINANCIAL STATEMENTS

3.1 Intangible assets

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

Concept	EUR thousand
Cost	
Balance at 1 January 2022	**485,288**
Additions	1,687
Disposals	(270)
Transfers and other	(18)
Translation differences	18,438
Balance at 31 December 2022	**505,125**
Additions	1,397
Disposals	(342)
Transfers and other	(3,042)
Translation differences	(10,898)
Balance at 31 December 2023	**492,240**
Accumulated amortisation and impairment losses	
Saldos a 1 de enero de 2022	**328,298**
Additions	26,419
Disposals	(212)
Transfers and other	(3)
Translation differences	11,129
Balance at 31 December 2022	**365,631**
Additions	24,149
Disposals	(284)
Transfers and other	(2,087)
Translation differences	(7,092)
Balance at 31 December 2023	**380,317**
Net balance at 31 December 2022	**139,494**
Net balance at 31 December 2023	**111,923**

This item includes mainly the net amounts allocated in the consolidation of the customer portfolio and the backlog of acquirees in the US and the Pacadar subgroup, for a net amount at 31 December 2023 of EUR 107,989 thousand (2022: EUR 134,388 thousand).

At 31 December 2023, intangible assets with a gross amount of EUR 72,589 thousand had been fully amortised and were still in use (2022: EUR 72,609 thousand).

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

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

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

i. Estimated revenue of approximately EUR 1,600 million, with average growth of over 8% in the 2024-2028 period. This is based on estimates of sufficient annual order intake to cover the backlog and achieve that level of revenue.

ii. EBITDA margin of 5.4-6%.

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

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

3.2 Concession infrastructure

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

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

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

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

	EUR thousand		
Concept	**Intangible asset model**	**Financial asset model**	**Total**
Cost			
Balance at 1 January 2022	**2,940**	**-**	**2,940**
Additions	1	10,096	10,097
Balance at 31 December 2022	**2,941**	**10,096**	**13,037**
Additions	-	24,007	24,007
Translation differences	-	(688)	(688)
SBalance at 31 December 2023	**2,941**	**33,415**	**36,356**
Accumulated amortisation			
Balance at 1 January 2022	**2,262**	**-**	**2,262**
Additions	116	-	116
Balance at 31 December 2022	**2,378**	**-**	**2,378**
Additions	112	-	112
Balance at 31 December 2023	**2,490**	**-**	**2,490**
Net balance at 31 December 2022	**563**	**10,096**	**10,659**
Net balance at 31 December 2023	**451**	**33,415**	**33,866**

The following table sets out the Group's investment commitments and the remaining term of its concessions as at 31 December 2023:

Concession operator	Description of concession	Country	% Stake	100% committed investment (EUR thousand)	Remaining term (years)
Fully consolidated infrastructure projects					
Marina Urola, S.A.	Marina	Spain	51.00	-	4
Sociedad Concesionaria Centro de Justicia de Santiago, S.A	Law courts	Chile	100.00	-	2
Sociedad Concesionaria Hospitales Red Biobio, S.A.	Hospitals	Chile	100.00	429,777	18
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	Hospitals	Chile	100.00	315,806	22
Infrastructure projects accounted for using the equity method					
Concesionaria Ruta Bogotá Norte S.A.S.	Motorways	Colombia	25.00	599,100	27
Parking Niño Jesús-Retiro, S.A.	Car parks	Spain	30.00	37,195	38

Under the terms of the concession arrangements, the concession operators are required to make total investments of EUR 1,203,851 thousand within the next five years, of which EUR 662,416 thousand relate to concessions that are fully consolidated by the Group.

The amount of the investments and timing of their execution were determined based on the best estimates available. Therefore, both the amount and the period of time over which they will be made are subject to change.

Financing for the investments is through loans granted to the concession operators, equity contributions and cash flows from the projects.

As at 31 December 2023 and 2022, no interest was capitalised under "Concession infrastructure" since the construction projects are recognised as financial assets in the statement of financial position.

The breakdown by company of the carrying amount of "Concession infrastructure" as at 31 December 2023 and 2022 is as follows:

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Intangible asset model		
Marina Urola, S.A.	417	529
Other	34	34
Total intangible asset model	**451**	**563**
Financial asset model		
Sociedad Concesionaria Hospitales Red Biobio, S.A.	29,768	10,096
Sociedad Concesionaria Instituto Nacional del Cáner, S.A.	3,647	-
Total financial asset model	**33,415**	**10,096**
Total	**33,866**	**10,659**

The main change in 2023 arose from concession projects undertaken in Chile in the construction phase for which there is an unconditional contractual right to receive cash or another financial asset from the grantor. Therefore, the grantor assumes the demand risk.

According to IFRIC 12 Service Concession Arrangements, these contracts are accounted for as financial assets.

The financial asset recognised in the statement of financial position reflects all payments made for the start of construction and, in accordance with IFRS 9, the related interest receivable using the effective interest method.

The Biobio Hospital Network project, with estimate investment of EUR 400 million, includes the design, construction, supply and installation of medical equipment and maintenance of four hospitals in cities in the Biobio Region (Santa Barbara, Nacimiento, Coronel and Lota).

Also in 2023, the Group was awarded a project from the National Cancer Institute in Santiago de Chile, with expected investment of over EUR 300 million, entailing the design, construction, supply and installation and medical equipment and maintenance of this hospital centre.

3.3 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:

EUR thousand						
Concept	**Land and buildings**	**Machinery**	**Other installations, equipment and furniture**	**Property, plant and equipment under construction and advances**	**Other property, plant and equipment**	**Total**
Cost						
Balance at 1 January 2022	**127,292**	**395,442**	**118,046**	**9,996**	**75,152**	**725,928**
Additions	23,641	40,863	4,598	15,833	22.055	106,990
Disposals	(2,151)	(26,472)	(13,394)	(12,179)	(8,672)	(62,868)
Transfers and other	-	974	185	(1,213)	124	70
Translation differences	1,886	13,033	3,293	304	3,387	21,903
Balance at 31 December 2022	**150,668**	**423,840**	**112,728**	**12,741**	**92,046**	**792,023**
Additions	7,962	33,171	2,428	35,984	11,303	90,848
Disposals	(5,266)	(11,453)	(8,482)	(27,210)	(5,716)	(58,127)
Transfers and other	(16)	(18,451)	(2,488)	(4,148)	(9,880)	(34,983)
Translation differences	(1,298)	(6,441)	(1,252)	279	(903)	(9,615)
Balance at 31 December 2023	**152,050**	**420,666**	**102,934**	**17,646**	**86,850**	**780,146**
Accumulated depreciation						
Balance at 1 January 2022	**55,961**	**298,151**	**103,216**	**-**	**45.701**	**503.029**
Additions	9,715	28,765	4,243	-	12,749	55,471
Disposals	(2,150)	(20,750)	(13,241)	-	(8,447)	(44,588)
Transfers and other	-	18	55	-	99	172
Translation differences	1,010	9,993	2,940	-	2,030	15,974
Balance at 31 December 2022	**64,536**	**316,177**	**97,213**	**-**	**52,132**	**530,058**
Additions	9,681	31,378	4,030	-	11,622	56,710
Disposals	(4,987)	(9,218)	(3,185)	-	(5,190)	(22,580)
Transfers and other	-	(8.952)	(3.196)	-	(3,884)	(16,032)
Translation differences	(726)	(5,664)	(695)	-	(788)	(7,872)
Balance at 31 December 2023	**68,504**	**323,721**	**94,167**	**-**	**53,892**	**540,284**
Net balance at 31 December 2022	**86,132**	**107,663**	**15,515**	**12,741**	**39,914**	**261,965**
Net balance at 31 December 2023	**83,546**	**96,945**	**8,767**	**17,646**	**32,958**	**239,862**

Changes in 2023 in “Transfers and others” includes the assets reclassified to “Non-current assets held for sale” at the date of their classification as such in the statement of financial position (see Note 3.8).

At 31 December 2023, items of property, plant and equipment with a carrying amount of EUR 360 thousand (2022: EUR 365 thousand) had been mortgaged as security for loans against which EUR 3 thousand had been drawn down (2022: EUR 33 thousand) (see Note 3.17.2).

At 31 December 2023 and 2022, there were no material amounts relating to property, plant and equipment that were temporarily idle or retired from active use.

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

Property, plant and equipment with a gross amount of EUR 220,506 thousand had been fully depreciated and were still in use at 31 December 2023 (2022: EUR 247,717 thousand).

“Property, plant and equipment” as at 31 December 2023 and 2022 did not include any amount for capitalised interest since the requirements in regulations had not been met.

Impairment of property, plant and equipment

The Group tests its property, plant and equipment to identify potential indications of impairment. Based on the regular reviews performed, there were no such indications, so no impairment losses were recognised at year-end 2023 and 2022. Considerations in the test included, e.g. technical matters, EBITDA and the positive trend in EBITDA, which has become stronger over the past few years. Most of the Group’s geographical segments made positive contributions to EBITDA.

Leases

Detail of changes in the year in right-of-use assets and balances recognised in the consolidated statement of financial position as at 31 December 2023 and 2022:

	EUR thousand				
Concept	**Land and buildings**	**Machinery**	**Other installations, equipment and furniture**	**Other property, plant and equipment**	**Total**
Balance at 31 December 2021	**14,174**	**12,741**	**5**	**12,228**	**39,150**
Additions	26,197	9,043	1,466	10,124	46,830
Period depreciation charge	(7,870)	(7,798)	(321)	(3,603)	(19,592)
Disposals and other	(12)	566	(47)	(489)	18
Balance at 31 December 2022	**32,489**	**14,552**	**1,103**	**18,261**	**66,406**
Transfers to non-current assets available for sale	-	(2,752)	(3)	(9,620)	(12,375)
Additions	7,592	21,422	-	7,609	36,623
Period depreciation charge	(8,805)	(7,552)	(1,309)	(4,469)	(22,135)
Disposals and other	180	(6,516)	765	(680)	(6,251)
Balance at 31 December 2023	**31,456**	**19,154**	**556**	**11,102**	**62,268**

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

The effect on the consolidated statement of profit or loss in 2023 related to leases was the recognition of an asset depreciation charge of EUR 22,135 thousand (2022: EUR 19,592 thousand) and of interest expenses on the associated liabilities amounting to EUR 1,688 thousand (2022: EUR 3,556 thousand).

3.4 Investment properties

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

Concept	EUR thousand
Balance at 31 December 2021	**4,322**
Additions	(90)
Disposals	(72)
Exchange differences	65
Transfers	(3)
Balance at 31 December 2022	**4,222**
Disposals	(190)
Amortisation and depreciation	(20)
Exchange differences	(27)
Transfers	-
Balance at 31 December 2023	**3,985**

At 31 December 2023, certain investment properties with a carrying amount of EUR 157 thousand (2022: EUR 162 thousand) had been mortgaged as security for loans against which EUR 19 thousand had been drawn down (2022: EUR 48 thousand) (see Note 3.17.2).

3.5 Goodwill

The breakdown of “Goodwill” at 31 December 2023 and 2022, by company giving rise to it, is as follows:

	EUR thousand	
Companies giving rise to goodwill	**31/12/2023**	**31/12/2022**
Agrupación Guinovart Obras y Servicios Hispania, S.A.	2,492	2,492
Construcciones Adolfo Sobrino S.A.	3,408	3,408
EyM Instalaciones, S.A.	99	99
Inizia Networks, S.L. (*)	-	358
Pacadar, S.A.U. and subsidiaries	30,242	30,242
OHL Servicios-Ingesan, S.A.U. (*)	-	399
Total	**36,241**	**36,998**

(*) Reclassified as discontinued operation

At year-end 2023, goodwill from Pacadar was tested for impairment using a discounted cash flow model.

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

i. Revenue of approximately EUR 127 million, with average growth in the 2024-2028 period of 7.5%. To achieve this revenue, the forecast is for a level of annual order intake that would provide sufficient cover to the backlog.

ii. An EBITDA margin of 12-14%.

iii. A discount rate of 9.7% and a growth in perpetuity rate of 1.9%.

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

The remaining goodwill was also tested for impairment, but there was no indication of impairment.

3.6 Financial assets

Investment securities

Investment securities at 31 December 2023 and 2022:

	EUR thousand			
	31/12/2023		31/12/2022	
Concept	**Non-current**	**Current**	**Non-current**	**Current**
At amortised cost	175	27,863	181	48,394
At fair value through profit or loss	3,456	-	2,161	-
At fair value through other comprehensive income	261	3	60,172	3
Subtotal	3,892	27,866	62,514	48,397
Provisions	(454)	-	(16,172)	-
Total	**3,438**	**27,866**	**46,342**	**48,397**

The most significant change in non-current investment securities was the result of the write-down to the fair value of the shareholding in concession operator Cercanías Móstoles Navalcarnero, S.A., in liquidation, for a net amount of EUR 44,193 thousand.

Ruling number 783/2023 of 22 November 2023 of the Section 3 of the Madrid High Court of Judicial Review (see Note 4.6.2.2) acknowledged the existence of the project over which payment was being claimed, but still rejected the claim for EUR 53,490 thousand made by the concession operator citing technical-legal grounds. As a result, an adjustment was made to the value of the equity interest in other consolidated comprehensive income (items that will not be reclassified to profit or loss for the year) since this investment was classified as a non-current financial asset at fair value through other comprehensive income.

In any case, the Company has lodged an appeal for judicial review with the Supreme Court and considers that it is reasonably probable that it will be accepted and that a ruling in favour will be handed down in the future.

The amounts of investment securities classified as current as at 31 December 2023 relate primarily to debt securities of the Group's US subsidiaries, of which EUR 27,403 thousand are earmarked as performance bonds for certain projects being executed (2022: EUR 43,885 thousand).

Other receivables and deposits and guarantees given

The breakdown by item is as follow:

	EUR thousand			
	31/12/2023		31/12/2022	
Concept	**Non-current**	**Current**	**Non-current**	**Current**
Other receivables	111,337	17,681	110,079	15,071
Deposits and guarantees given	15,332	185,913	16,967	182,270
Impairment losses	(43,517)	(13,212)	(37,011)	(13,362)
Total, net	**83,152**	**190,382**	**90,035**	**183,979**

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

As at 31 December 2023, "Other receivables" and "Deposits and guarantees given" included mainly:

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

ii. Loans granted to associates for EUR 67,624 thousand, primarily the subordinated debt of the Canalejas Project.

iii. A loan granted to Grupo Villar Mir by the Parent, with a balance of EUR 28,806 thousand that had been fully written off.

iv. Lastly, "Current financial assets - Deposits and guarantees given" includes pledged bank accounts for EUR 173,981 thousand.

   The main one is a EUR 140,000 deposit securing a guarantee facility of up to EUR 354,391 thousand included in the Multiproduct Syndicated Facilities (MSF) agreement. 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 guarantee facility is expected to be renewed at maturity.

3.7 Joint arrangements

3.7.1 Investments accounted for using the equity method

The following table shows investments accounted for using the equity method at 31 December 2023 and 2022:

	EUR thousand	
Companies	**31/12/2023**	**31/12/2022**
Joint ventures		
Constructora Vespucio Oriente, S.A.	1,137	1,229
Nova Dársena Esportiva de Bara, S.A.	6,461	7,347
NCC - OHL Lund-Arlöv, fyra spar Handelsbolag	8,370	5,674
Rhatigan OHL Limited	2,117	2,569
Other	1,242	1,190
Associates		
Alse Park, S.L.	2,295	2,293
Proyecto Canalejas Group, S.L.	127,597	127,596
Parking Niño Jesús-Retiro, S.A.	1,095	878
Other	1,424	1,184
Total	**151,738**	**149,960**

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

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

	EUR thousand	
Item	**2023**	**2022 (*)**
Opening balance at 1 January	**149,960**	**167,221**
Increases	14,594	20,006
Share of profit/(loss) for the year from continuing operations	10,983	(4,546)
Decreases	(24,038)	(35,148)
Additions and disposals due to changes in the scope of consolidation	242	130
Transfers to non-current assets held for sale	(3)	2,297
Closing balance at 31 December	**151,738**	**149,960**

The main investment:

Canalejas (Proyecto Canalejas Group, S.L.)

The Group held an ownership interest of 50.0% in this 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 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 include 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 openings 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/m^2/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.

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

The Group's share of net profit of joint ventures at 31 December 2023 amounted to EUR 12,813 (2022: EUR 983 thousand loss).

Its share of net losses of associates for the year ended 31 December 2023 amounted to EUR 1,830 thousand (2022: EUR 3,563 thousand).

3.7.2 Joint operations

The Group undertakes certain of its business activities through participation in contracts executed in conjunction with other non-Group venturers, mainly through temporary business associations (UTEs) and other similar entities, which are accounted for in the Group's consolidated financial statements using proportionate consolidation.

Following are key data at 31 December 2023 of joint operations, in proportion to the percentage ownership interest, which the Group considers immaterial taken individually.

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Non-current assets	41,538	46,053
Current assets	779,475	719,265
Non-current liabilities	20,544	7,241
Current liabilities	735,427	684,008
Revenue	766,688	835,947
EBIT	48,363	81,050
Profit/(loss) before tax	51,669	75,867

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

3.8 Non-current assets classified as held for sale and discontinued operations

Among the Group's key objectives since 2018 has been to monetise its non-core assets in a bid to reduce debt.

Examples include the decision to dispose of the investment concession operator of Centre Hospitalier de l'Université de Montréal in 2021 and the Services activity in 2023.

Set out below is a summary of the impact on the presentation of the statement of financial position, statement of profit or loss and statement of cash flows:

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Assets classified as held for sale and discontinued operations	164,785	28,814
Liabilities classified as held for sale and discontinued operations	73,046	42
	2023	**2022**
Profit/(loss) for the period from discontinued operations	2,727	3,487
Net cash flows from/(used in) discontinued operations	(2.040)	3,515

3

Assets and liabilities classified as held for sale

In accordance with IFRS 5, at 31 December 2021, the Group reclassified, to non-current assets and liabilities held for sale, assets and liabilities related to concession operator Centre Hospitalier de l'Université de Montréal (CHUM) after signing an agreement for the sale of the 25% stake held by OHLA Group in the concession operator, along with a subordinated loan. The reclassification was made at the carrying amounts, since they were below fair value less estimated costs to sell.

Although the sale agreement has not been closed, the Group believes that this disposal is highly probable and management remains committed to the sale.

Composition of assets and liabilities classified as held for sale by nature as at 31 December 2023 and 2022:

	EUR thousand	
Assets held for sale	**31/12/2023**	**31/12/2022**
Other non-current receivables	28,790	29,387
Investments accounted for using the equity method	-	(587)
Other receivables	2	13
Other current assets	1	1
Assets classified as held for sale	**28,793**	**28,814**
Liabilities held for sale	**31/12/2023**	**31/12/2022**
Provisions for contingencies and charges	3,438	-
Trade and other payables	38	41
Other current liabilities	1	1
Liabilities classified as held for sale	**3,477**	**42**

Discontinued operations

In addition to assets classified as held for sale at 31 December 2023, the Group reported the **Services activity as a discontinued operation** as it estimates that at the reporting date it satisfied the requirements for reclassification in accordance with international accounting standards since it represents a separate major line of business. In 2023, Group management initiated the sale of the 100% shareholding in OHL Servicios Ingesan, S.A.U., the head of the Services activity. The reclassification of the Services activity as a discontinued operation was carried out at the carrying amount, which was lower than the estimated fair value less costs to sell, with the following impacts on the consolidated financial statements:

1. In the statement of financial position, all the assets and liabilities were reclassified to "Non-current assets held for sale and discontinued operations" and "Non-current liabilities held for sale and discontinued operations", respectively.
2. The profit or loss after tax generated by the Services business is not reported in each line of the statement of profit or loss, but presented in a single line item, "Profit/(loss) after tax for the period from discontinued operations" in both 2023 and 2022 (restated).
3. The net cash flows attributable to the operating, investing and financing activities of discontinued operations are presented separately.

The following table shows the line items in the statement of financial position as at 31 December 2023 affected by the new classification of the Services business.

	EUR thousand
Assets of discontinued operations	**31/12/2023**
Intangible assets	1,345
Property, plant and equipment	24,289
Goodwill	757
Non-current financial assets	318
Investments accounted for using the equity method	3
Deferred tax assets	1,578
Inventories	4,432
Trade and other receivables	88,570
Current financial assets	406
Current income tax assets	508
Other current assets	780
Cash and cash equivalents	13,006
Assets classified as discontinued operations	**135,992**
Liabilities of discontinued operations	**31/12/2023**
Other non-current financial liabilities	7,167
Deferred tax liabilities	602
Other non-current liabilities	50
Deferred income	113
Other current financial liabilities	3,622
Trade and other payables	25,678
Provisions	10,772
Current income tax liabilities	46
Other current liabilities	21,519
Liabilities classified as discontinued operations	**69,569**

The table below includes a breakdown of the profit or loss of the discontinued operation in 2023 and 2022:

	EUR thousand	
Profit or loss from discontinued operations	**2023**	**2022**
Revenue	465,917	394,292
Other operating income	7,064	5,568
Total revenue	**472,981**	**399,860**
Cost of sales	(59,748)	(45,082)
Staff costs	(370,460)	(313,861)
Other operating expenses	(31,821)	(29,339)
Amortisation and depreciation	(5,781)	(3,866)
Change in provisions	270	(865)
EBIT	**5,441**	**6,847**
Finance income	392	21
Finance costs	(3,182)	(1,997)
Exchange differences (gains and losses)	618	763
Profit/(loss) before tax	**3,269**	**5,634**
Income tax expense	(542)	(2,147)
Profit/(loss) after tax for the year from discontinued operations	**2,727**	**3,487**

Cash flows from discontinued operations in 2023 and 2022 are as follows:

	EUR thousand	
Cash flows from discontinued operations	**31/12/2023**	**31/12/2022**
Net cash flows from operating activities	9,221	18,796
Net cash flows used in investing activities	(11,650)	(11,238)
Net flows from/(used in) financing activities	389	(4,043)
Net cash flows from/(used in) discontinued operations	**(2,040)**	**3,515**

3.9 Trade and other receivables

Trade receivables

The reconciliation of the carrying amount of this item at 31 December 2023 and 2022 is as follows:

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Trade receivables		
Amounts to be billed for work or services performed	549,734	570,938
Progress billings receivable	474,212	557,494
Retentions	150,397	135,519
Trade notes receivable	1,059	1,126
Subtotal	1,175,402	1,265,077
Amounts billed in advance for construction work	(222,579)	(264,005)
Advances	(228,067)	(276,850)
Total, net of advances received from customers	724,756	724,222
Provisions	(97,294)	(100,797)
Total, net	**627,462**	**623,425**

At 31 December 2023, the balance of trade receivables was reduced by EUR 59,421 thousand (2022: EUR 59,271 thousand) as a result of trade receivables factored to banks. Since these factoring arrangements are without recourse in the event of non-payment, they are treated as a reduction of trade receivables.

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

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Spain	314,356	388,267
Public sector	**100,692**	**163,477**
Central government	18,715	26,187
Regional government	32,525	49,633
Local government	13,644	39,658
Other agencies	35,808	47,999
Private sector	**213,664**	**224,790**
Abroad	861,046	876,810
Total	**1,175,402**	**1,265,077**

Of the balance of "Trade receivables - Abroad" at 31 December 2023, 85.8% related to the public sector (2022: 82.6%) and 14.2% to the private sector (2022: 17.4%).

"Amounts to be billed for work or services performed" at 31 December 2023 stood at EUR 549,734 thousand (2022: EUR 570,938 thousand), representing 2.11 months of sales, in line with the year-earlier figure.

Most of the balance of work to be billed related to revenue from the main contracts and modifications of those contracts approved by the customer, in line with the Group's revenue recognition policy in accordance with IFRS 15. It does not include disputed claims. Balances related to modifications yet to be approved or other changes ordered supported contractually and with a high probability of approval are irrelevant and related to a large number of contracts of smaller amounts. If these modifications were not ultimately approved, the revenue recognised would be reversed, as provided for in the standard.

Also included in the balance are the differences between amounts of work executed and progress billings, which are normal differences arising during the approval by customers of work performed.

Of the balance of "Progress billings receivable" and "Trade notes receivable" as at 31 December 2023, which totalled EUR 475,271 thousand, 63.2% related to the public sector and 36.8% to the private sector (2022: EUR 558,620 thousand, of which 66.3% related to the public sector and 33.7% to the private sector).

The movements in provisions in 2023 and 2022 were as follows:

Concept	EUR thousand
Balance at 31 December 2021	**(103,348)**
(Arising in the year)/utilised	2,551
Balance at 31 December 2022	**(100,797)**
(Arising in the year)/utilised	3,503
Balance at 31 December 2023	**(97,294)**

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

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

Revenue from construction and industrial contracts is recognised by reference to the stage of completion (see Note 2.6.11). 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 receivables - Amounts to be billed for work performed". Where the amount of revenue recognised is lower than the amount billed, a liability is recognised under "Trade and other payables - Advances received from customers- Amounts billed in advance for construction work".

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

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

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

	EUR thousand			
Concept	31/12/2023	31/12/2022	Difference	% change
Amounts to be billed for work performed	549,685	554,963	(5,278)	-1.0%
Advances from customers	(447,152)	(537,273)	90,121	-16.8%
Construction contracts, net	102,534	17,691	84,843	479.6%
Retentions	150,397	135,515	14,882	11.0%
Net advances and retentions	**252,931**	**153,206**	**99,725**	**n/a**

Other receivables

The reconciliation of the carrying amount of this item at 31 December 2023 and 2022 is as follows:

	EUR thousand					
	31/12/2023			31/12/2022		
Concept	Gross balance	Impairment losses	Net balance	Gross balance	Impairment losses	Net balance
Receivable from associates	155,728	(942)	154,786	144,222	(1,189)	143,033
Employee receivables	1,290	-	1,290	1,437	-	1,437
Receivables from public authorities	81,271	-	81,271	92,157	-	92,157
Other receivables	81,582	(4,479)	77,103	59,191	(6,596)	52,595
Total	**319,871**	**(5,421)**	**314,450**	**297,007**	**(7,785)**	**289,222**

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

The net balance of other receivables at 31 December 2023 and 2022 relates to the rendering of services and the lease of machinery and materials.

3.10 Cash and cash equivalents

"Cash and cash equivalents" includes the Group's fully liquid assets, comprising cash on hand and at banks, and short-term deposits with an original maturity of three months or less. Use of these balances is mostly unrestricted and they are not subject to risk of changes in value. The balances relate mostly to short-term deposits.

The balance of this item at 31 December 2023 was EUR 596,640 thousand (2022: EUR 469,311 thousand), of which EUR 274,758 thousand (2022: EUR 185,796 thousand) related to the UTEs in which the Group held interests. There is also EUR 2,348 thousand of restricted cash (2022: EUR 2,934 thousand) related to other guarantees.

3.11 Share capital

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

Set out below are holders of direct and indirect ownership interests equal to or greater than 3% of share capital as at 31 December 2023 according to notifications received by the Parent:

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

3.12 Share premium

As at 31 December 2023, the Parent's share premium account had a balance of EUR 1,205,479 thousand (2022: EUR 1,328,128 thousand). The change in the year was due to a reclassification of reserves in consolidated companies to share premium and voluntary reserves of the Parent in the wake of the corporate restructuring carried out by the Group in 2023 as agreed with its financial creditors in 2021 as part of its financial restructuring.

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

3.13 Treasury shares

The changes in this item in 2023 and 2022 were as follows:

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

3.14 Reserves

Breakdown of the balances of this consolidated statement of financial position item as at 31 December 2023 and 2022:

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Restricted reserves of the parent		
Legal reserve	29,556	29,556
Other restricted reserves	111,474	111,474
Subtotal	**141,030**	**141,030**
Voluntary and consolidation reserves		
Attributable to the parent	(850,250)	(774,717)
Attributable to consolidated companies	(81,310)	(185,878)
Subtotal	**(931,560)**	**(960,595)**
Total	**(790,530)**	**(819,565)**

Legal reserve of the Parent

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

The legal reserve was fully allocated at year-end 2023 and 2022. In 2021, an accounting adjustment was made that left the amount of the reserve equal to 20% of the new amount of share capital, which had been reduced. This adjustment was recognised in voluntary reserves.

Other parent company reserves

The capital redemption reserve amounted to EUR 11,182 thousand at 31 December 2023 and 2022 as a result of the capital reductions carried out in 2018 for EUR 7,326 thousand, in 2009 for EUR 2,625 thousand and in 2006 for EUR 1,231 thousand, through the redemption of treasury shares. In addition, in June 2021, the Company allocated EUR 100,292 thousand to a restricted reserve due to the capital reduction carried out.

Those two reserves are restricted and were allocated in accordance with prevailing legal provisions to ensure that shareholders' equity is guaranteed against third parties (art. 335 c) of the Corporate Enterprises Act). Availability of these reserves is subject to approval by shareholders at the General Meeting.

Limitations on the distribution of dividends

As at 31 December 2023, the Parent complied with all the legal obligations restricting the distribution of dividends.

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

Reserves in consolidated companies

The balance at 31 December 2023 was a negative EUR 81,310 thousand (2022: EUR 185,878 thousand negative) and related to voluntary reserves of Group subsidiaries and associates for retained earnings, legal reserves and other special restricted reserves.

The change in the year was the result of the corporate restructuring described above (see Note 3.12).

3

3.15 Valuation adjustments

Changes in fair value of equity investments at fair value through other comprehensive income

At 31 December 2023, the fair value of the Group's shareholding in concession operator Cercanías Móstoles Navalcarnero, S.A., in liquidation since 2017, was written down by EUR 44,193 thousand (see Note 3.6).

Translation differences

Translation differences by country at 31 December 2023 and 2022:

	EUR thousand	
Country	**31/12/2023**	**31/12/2022**
Saudi Arabia	1,402	1,450
Canada	(3,391)	(3,367)
Colombia	3,664	7,320
Mexico	(39,877)	(38,968)
Chile	(18,880)	(10,039)
Sweden	(588)	(716)
Czech Republic	7,509	8,479
United States	19,379	34,662
Other countries	1,150	415
Total	**(29,632)**	**(764)**

3.16 Non-controlling interests

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

Breakdown of the balance of this consolidated statement of financial position item at 31 December 2023 and 2022:

	EUR thousand	
Companies	**31/12/2023**	**31/12/2022**
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	649	508
Consorcio Aura - OHL, S.A.	-	-
Consorcio Valko - OHL - Besalco S.A.	3,400	1,013
Estación Rebombeo Degollado, S.A.P.I. de C.V.	(1,781)	(2,049)
Hidro Parsifal, S.A. de C.V.	(115)	(107)
Hidrógeno Cadereyta, S.A.P.I. de C.V.	(699)	(1,565)
Inizia Networks, S.L.	8	(59)
Marina Urola, S.A.	548	467
OHLA-OHMG JV Limited	1.178	648
Total	**3.188**	**(1.144)**

The share of non-controlling interests in profit for the year ended 31 December 2023 amounted to EUR 3,260 thousand (2022: EUR 3,343 thousand).

The detail of the percentage ownership interest and the company name of non-controlling shareholders of fully consolidated Group companies at 31 December 2023 is as follows:

Company	% non-controlling interests	Company name
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	50.0%	Senermex Ingeniería y Sistemas, S.A. de C.V.
Consorcio Aura - OHL, S.A.	35.0%	Aura Ingeniería, S.A.
Consorcio Valko - OHL - Besalco S.A.	39.4%	Besalco Construcciones S.A.
	21.1%	Valko Minería y Energía Limitada
Estación Rebombeo Degollado, S.A.P.I. de C.V.	50.0%	Construcciones Industriales Tapia, S.A. de C.V.
Hidrógeno Cadereyta, S.A.P.I. de C.V.	40.7%	KT Kinetics Technology, SPA
	5.4%	Construcciones Industriales Tapia, S.A. de C.V.
Hidro Parsifal, S.A. de C.V.	10.0%	José Federico Ramos Elorduy Wolfslindseder
	5.0%	María de Lourdes Bernarda Ramos Elorduy
	5.0%	Grupo HI, S.A. de C.V.
Inizia Netwoks, S.L.	31.2%	Gestión Ibérica de Medio Ambiente Serv y Com, S.L.
	10.4%	Aquaducta Servicios de Ingeniería, S.L.
	4.9%	Juan Manuel Chuliá Martín
	2.4%	Jose Francisco Devis Capilla
Marina Urola, S.A.	47.3%	Servicios Náuticos Astilleros Elkano, S.L.
	1.7%	Marinas del Mediterráneo, S.L.
OHLA-OHMG JV LTD	40.0%	OHMG Holdings Limited
OHL Industrial and Partners LLC	30.0%	Faisal Hamid Ahmed Ghazali

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

The balances of bank borrowings and issues of notes and other marketable securities on the statement of financial position as at 31 December 2023 and 2022 are as follows:

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Non-current liabilities		
Bank borrowings	3,217	3,692
Issue of corporate notes	417,040	428,400
Current liabilities		
Bank borrowings	90,240	26,778
Issue of corporate notes	12,116	8,707
Total	**522,613**	**467,577**

3.17.1 Issue of notes and other marketable securities

On 18 January 2023, the Parent disclosed to the market that, in compliance with the terms and conditions of the note, it would apply the amounts received from subsidiary Obrascón Huarte Lain Desarrollos, S.A.U. as deferred payment for the sale in 2021 of its stake in the Old War Office project to the partial redemption of the notes.

Therefore, once the partial tender offer concluded, the amount paid to noteholders was EUR 33,514 thousand, of which EUR 32,576 thousand was principal of the notes and EUR 938 thousand accrued interest payable (including PIK interest).

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

				Maturity of nominal amount		Guarantees
Issuer	**Issue date**	**Coupon**	**PIK**	**2025**	**2026**	
OHL Operaciones, S.A	June 21	5.10%	4.65%	206,105	206,104	Personal guarantees and security interests

EUR thousand

The nominal interest at a rate of 5.1% per annum is payable every six months, on 15 March and 15 September each year. Therefore, on 15 March 2022, payment of the coupon for EUR 10,704 thousand was made and on 15 September another payment of EUR 10,784 thousand for accrued interest as at that date.

At each interest payment date, PIK (payment-in-kind) interest is capitalised and added to the total outstanding principal. The actual cash outflow in this connection will occur on 31 March 2025 and 31 March 2026.

The Notes are guaranteed on an unsubordinated basis by the Parent, OHL Holding, S.à.r.l., OHL Iniciativas, S.à.r.l. and by the Guarantors (the "Personal Guarantees").

There are also pledges over shares of certain Group companies and the Parent's or any of its group companies' receivables.

The Guarantees are divided up among the noteholders and other of the Parent's financial creditors, especially the guarantee facilities.

The terms and conditions of the notes restrict third-party borrowings by Group companies, dividend distributions and use of proceeds from asset sales, and include regular reporting obligations to the noteholders.

The notes are registered with and listed on the Vienna Stock Exchange.

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

	EUR thousand		
Concept	**Non-curren**	**Current**	**Total**
Bonos 2025-2026			
Nominal	487,267	-	487,267
Tender offer, nominal amount March 2022	(43,067)	-	(43,067)
Tender offer, nominal amount February 2023	(31,991)	-	(31,991)
Nominal at that date	**412,209**	**-**	**412,209**
Fair value adjustment	(8,981)	-	(8,981)
Accrued coupon	-	6,338	6,338
PIK interest	13,812	5,778	19,590
Balance at 31 December 2023	**417,040**	**12,116**	**429,156**

Following the partial redemption of the notes carried out by the Group for a nominal amount of EUR 31,991 thousand, the new outstanding nominal amount was EUR 412,209 thousand. The fair value recognised was also adjusted in proportion to the cancellation.

The contractual maturities of the notes on a cash outflow basis are: EUR 21,981 thousand in 2024; EUR 246,360 thousand in 2025 and EUR 245,899 thousand in 2026.

3.17.2 Bank borrowings

The maturity schedule of bank borrowings as at 31 December 2023 is as follows:

	EUR thousand					
Concepto	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
Progress billing and note discounting facilities	97	-	-	-	-	97
Mortgage loans	19	3	-	-	-	22
Loans and credit facilities	89,061	32	560	560	2,062	92,275
Total loans	89,177	35	560	560	2,062	92,394
Unmatured accrued interest payable of concession operators	1,063	-	-	-	-	1,063
Total unmatured accrued interest payable	1,063	-	-	-	-	1,063
Total	**90,240**	**35**	**560**	**560**	**2,062**	**93,457**

Progress billing and note discounting facilities

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Limit	4,628	7,423
Amount drawn down	97	4,201
Undrawn balance	4,531	3,222

- Mortgage loans

  At 31 December 2023 certain items of property, plant and equipment amounting to EUR 360 thousand (2022: EUR 365 thousand) had been mortgaged as security for loans of EUR 3 thousand (2022: EUR 33 thousand).

  At 31 December 2023, certain investment properties amounting to EUR 157 thousand (2022: EUR 159 thousand) had been mortgaged as security for loans of EUR 19 thousand (2022: EUR 33 thousand).

- Bridge financing agreement (ICO)

  On 19 May 2023, the Parent 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.

  As at 31 December 2023, the entire amount of that facility had been drawn down.

  The interest rate applicable to the amount drawn down under the bridge financing is the Euribor rate plus a spread of 3.5% up to a total amount of less than EUR 25,000 thousand and of 5.5% for an amount equal to or greater than EUR 25,000 thousand.

- Financing in the United States

  On 28 June 2022, Judlau Contracting Inc signed a credit line for up to EUR 81,448 thousand, with a sub-limit of EUR 40,724 thousand for guarantees.

  As at 31 December 2023, EUR 28,054 thousand of this credit line and EUR 37,766 thousand on guarantees had been drawn.

  This facility has additional personal guarantees of OHLA USA, Inc. and associates of Judlau Contracting, Inc.

  The credit line matures on 28 June 2025.

  Interest applicable on amounts drawn down is floating and at 31 December 2023 was 6.53% (SOFR + 1.75 spread).

Limits on loans and credit facilities.

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Limit	126,160	64,225
Amount drawn down	93,120	26,203
Undrawn balance	33,040	38,023

3.18 Other financial liabilities

Breakdown of other financial liabilities as at 31 December 2023 and 2022:

	EUR thousand	
Concept	**31/12/2023**	**31/12/2022**
Lease liabilities, non-current	45,089	45,414
Lease liabilities, current	19,614	19,233
Total	**64,703**	**64,647**

Lease liabilities

Detail by maturity of lease liabilities at 31 December 2023:

	EUR thousand						
Concept	**2024**	**2025**	**2026**	**2027**	**2028**	**Other**	**Total**
Lease liabilities	19,614	17,132	11,454	8,583	6,743	1,177	64,703
Total	**19,614**	**17,132**	**11,454**	**8,583**	**6,743**	**1,177**	**64,703**

The main liabilities recognised at 31 December 2023 related to leases of office buildings and machinery.

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

Lease payments recognised in 2023 totalled EUR 24,500 thousand (2022: EUR 21,211 thousand), classified in cash flows from financing activities in the consolidated statement of cash flows

3.19 Provisions

Non-current provisions

Breakdown of this item at 31 December 2023:

	EUR thousand				
Concept	**Balance at 31 December 2022**	**Arising during the year**	**Utilised**	**Net exchange differences and interest cost**	**Balance at 31 December 2023**
Provisions for taxes	4,419	238	-	(37)	4,620
Provisions for litigation and third-party liability	56,713	2,726	(15,488)	(14)	43,937
Provisions for major maintenance work, removal or refurbishment of non-current assets	5,972	107	(1,303)	(286)	4,490
Other provisions	3,744	1,352	(76)	(70)	4,950
Total	**70,848**	**4,423**	**(16,867)**	**(407)**	**57,997**

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

Projected schedule of outflows of economic benefits relating to non-current provisions at 31 December 2023:

	EUR thousand					
Concept	**2025**	**2026**	**2027**	**2028**	**Other**	**Total**
Provisions for taxes	799	3,821	-	-	-	4,620
Provisions for litigation and third-party liability	4,098	1,149	-	-	38,690	43,937
Provisions for major maintenance work, removal or refurbishment of non-current assets	-	4,312	-	-	178	4,490
Other provisions	674	432	63	31	3,750	4,950
Total	**5,571**	**9,714**	**63**	**31**	**42,618**	**57,997**

Current provisions

Breakdown of this item at 31 December 2023:

	EUR thousand					
Concept	**Balance at 31 December 2022**	**Arising during the year**	**Utilised**	**Net exchange differences and interest cost**	**Transfer to liabilities classified as held for sale**	**Balance at 31 December 2023**
For major maintenance, removal or refurbishment work	134	-	(134)	-	-	-
Provisions for project completion	42,432	10,422	(9,037)	(174)	(1)	43,642
Provisions for management and other fees	9,855	7,968	(5,597)	(73)	(32)	12,121
Provisions for other transactions	126,443	32,632	(72,611)	103	(7,924)	78,643
Total	**178,864**	**51,022**	**(87,379)**	**(144)**	**(7,957)**	**134,406**

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

3.20 Other liabilities

The breakdown of this consolidated statement of financial position item as at 31 December 2023 and 2022 is as follows:

	EUR thousand			
	31/12/2023		**31/12/2022**	
Concept	**Non-current**	**Current**	**Non-current**	**Current**
Payable to associates	-	52,816	-	59,464
Salaries payable	-	34,044	-	36,748
Payables to public authorities	-	77,378	-	74,447
Other non-trade payables (*)	90,578	44,805	30,832	47,370
Guarantees and deposits received	14,012	1,226	1,971	1,225
Other	-	172	-	241
Total	**104,590**	**210,441**	**32,803**	**219,495**

(*) The balance in 2023 included the agreement entered into with IFM and Aleática (see Note 4.6.2.2)

3.21 Tax matters

Consolidated tax group

The Group files consolidated tax returns in both Spain and the US for all the companies that meet the related requirements. All other Group companies file individual tax returns.

Accounting for taxes

The income tax expense of the consolidated Group is calculated by aggregating the income tax expense of the consolidated tax groups and of the companies that file individual income tax returns.

The tax bases are calculated on the basis of the profit or loss for the period adjusted by temporary differences, permanent differences and prior periods' tax losses.

The tax effect of temporary differences between transactions recognised in the accounting records and reported in the income tax return using different criteria gives rise to deferred tax assets and liabilities that will be recoverable or payable in the future.

Recognised tax losses also give rise to deferred tax assets that do not reduce the expense for subsequent periods.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised when there are no doubts that sufficient taxable profit will be available against which the temporary differences can be utilised.

When the closing is performed for tax purposes each period, the deferred tax balances are reviewed in order to ascertain whether they still exist and the appropriate adjustments are made so as to adapt the balances to the new situation.

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

Reconciliation of accounting profit/(loss) for the year and profit/(loss) for income tax purposes for 2023 and 2022:

	EUR thousand	
Concept	**2023**	**2022 (*)**
Profit/(loss) before tax for the year from continuing operations	**44,223**	**(66,473)**
Profit/(loss) before tax for the year from discontinued operations	**3,269**	**5,634**
Permanent differences related to continuing operations	(61,912)	9,547
Temporary differences	30,515	36,903
Offset of unused tax losses	(80,864)	(81,674)
Tax loss (tax base)	**(64,769)**	**(96,063)**

(*) Restated

Reconciliation of accounting profit/(loss) to income tax expense for 2023 and 2022:

	EUR thousand	
Concept	**2023**	**2022 (*)**
Profit/(loss) before tax for the year from continuing operations	**44,223**	**(66,473)**
Profit/(loss) before tax for the year from discontinued operations	**3,269**	**5,634**
Share of profit/(loss) of companies accounted for using the equity method, net of tax	(10,983)	4,546
Other permanent differences	(50,929)	5,001
Unrecognised tax losses offset in the year	(31,142)	(26,238)
Tax losses not recognised in the year as tax assets	194,022	149,797
Base for calculating period income tax expense	**148,459**	**72,267**
Income tax expense for the year	31,822	21,892
Tax credits and tax relief	3,760	-
Prior years' adjustments and other adjustments	3,127	10,766
Income tax expense relating to continuing operations	**38,167**	**30,511**
Income tax expense relating to discontinued operations	**542**	**2,147**
Total income tax expense	**38,709**	**32,658**

(*) Restated

Permanent difference relate to profit or loss of companies accounted for using the equity method, amounting to a loss of EUR 10,983 thousand and the remainder, for a negative EUR 50,929 thousand, to expenses and income for the year which, according to tax laws applicable in each country are non-tax-deductible or taxable, respectively. The most significant items are:

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

Income tax by country and tax rate

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

Country	2023
Spain	25%
Saudi Arabia	20%
Canada	27%
Colombia	35%
Ireland	13%
Luxembourg	25%
Chile	27%
Mexico	30%
Norway	22%
Peru	30%
Qatar	10%
UK	19%
Czech Republic	19%
Slovakia	21%
Sweden	21%
Turkey	23%
United States	19%

The total income tax expense recognised in 2023 amounted to EUR 38,709 thousand and comprised:

- EUR 22,582 thousand for the tax expense recognised by the companies for the Spanish tax group and the amount corresponding to their branches abroad.
- EUR 4,311 thousand for the expense allocated to companies comprising the US tax group.
- EUR 11,816 thousand for the expense recognised for the rest of the Group companies.

In 2023, the Group did not recognise any amount of income tax directly in equity for gains or losses on remeasurement of derivative financial instruments.

Deferred taxes and tax losses

Changes in **deferred tax assets**:

Concept	EUR thousand
Balance at 31 December 2021	**108,789**
Increase	13,693
Decrease	(32,223)
Balance at 31 December 2022	**90,259**
Increase	20,336
Decrease	(29,793)
Transfer	(1,474)
Balance at 31 December 2023	**79,328**

The detail of the changes in deferred tax assets in 2023 and 2022 is as follows:

	EUR thousand					
	2023					
Concept	Balance at 31/12/2022	Charge/credit to profit or loss	Exchange rate effect	Discontinued operations	Transfers and other	Balance at 31/12/2023
Tax credits						
Unused tax losses	44,270	(18,132)	(788)	(1,012)	13,639	37,977
Tax credits	-	-	-	-	10,209	10,209
Temporary differences	45,989	(20,627)	1,050	(462)	5,192	31,142
Total deferred tax assets	**90,259**	**(38,759)**	**262**	**(1.474)**	**29,040**	**79,328**

	EUR thousand					
	2022					
Concept	Balance at 31/12/2021	Charge/credit to profit or loss	Exchange rate effect	Discontinued operations	Transfers and other	Balance at 31/12/2022
Tax credits						
Unused tax losses	53,779	(12,075)	2,566	-	-	44,270
Temporary differences	55,010	(10,603)	1,582	-	-	45,989
Total deferred tax assets	**108,789**	**(22,678)**	**4,148**	**-**	**-**	**90,259**

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

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

Deductible temporary differences recognised in 2023, amounting to EUR 31,142 thousand, related mainly to:

- The recognition and utilisation of accounting provisions with a tax effect when realised, for EUR 18,223 thousand.
- The difference between depreciation and amortisation for accounting and for tax purposes, of EUR 388 thousand.
- The difference in the timing of recognition of construction costs, amounting to EUR 2,452 thousand.
- The profit or loss of UTEs, the recognition of which for tax purposes is deferred for one year.

In 2023 the Group reassessed the recoverability of deferred tax assets taking into account the various consolidated tax groups (Spain and US) and other jurisdictions based on long-term business plans, which include assumptions regarding transaction volume and expected returns in line with technical and financial capabilities, and the outlook for the markets in which the Group operates. No risks of recoverability were uncovered by the reassessment of outstanding balances at 31 December 2023.

Changes in **deferred tax liabilities** in 2023 and 2022:

Concept	EUR thousand
Balance at 31 December 2021	**75,260**
Increase	1,380
Decrease	(9,512)
Balance at 31 December 2022	**67,128**
Increase	12,843
Decrease	(22,826)
Transfer	(747)
Balance at 31 December 2023	**56,398**

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

	EUR thousand					
	2023					
Concept	Balance at 31/12/2022	Charge/credit to profit or loss	Exchange rate effect	Discontinued operations	Transfers and other	Balance at 31/12/2023
Temporary differences	67.128	(29.034)	137	(747)	18.914	56.398
Total deferred tax liabilities	**67.128**	**(29.034)**	**137**	**(747)**	**18.914**	**56.398**

	EUR thousand					
	2022					
Concept	Balance at 31/12/2021	Charge/credit to profit or loss	Exchange rate effect	Discontinued operations	Transfers and other	Balance at 31/12/2022
Temporary differences	75,260	(11,977)	3,845	-	-	67,128
Total deferred tax liabilities	**75,260**	**(11,977)**	**3,845**	**-**	**-**	**67,128**

Taxable temporary differences recognised in 2023, amounting to EUR 56,398 thousand, related mainly to:

- The adjustments made on consolidation, including those recognised for goodwill capitalised as an increase in the value of the customer portfolio and backlog of the acquirees, amounting to EUR 36,166 thousand.
- The difference between depreciation and amortisation for accounting and for tax purposes, of EUR 9,275 thousand.

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

Unused tax losses of OHLA Group companies available for offset in future tax returns amount to EUR 2,382,571 thousand. The breakdown by region and last year for offset is as follows:

Region	Up to 5 years	Up to 10 years	More than 10 years	No time limit	Total
Spain	-	-	10,442	1,389,402	1,399,844
Rest of Europe	10,196	-	33,473	320,844	364,513
United States	-	-	-	132,876	132,876
Rest of North America	-	-	87,805	-	87,805
Latin America	36,355	97,813	24,346	55,716	214,229
Asia and Oceania	67,010	-	-	80,085	147,096
Africa:	36,208	-	-	-	36,208
Total	**149,769**	**97,813**	**156,066**	**1,978,923**	**2,382,571**

At 31 December 2023, the companies comprising the Spanish tax group had EUR 1,385,542 thousand of unused tax losses, EUR 12,704 thousand of unused double taxation credits and EUR 16,709 thousand of investment credits (reinvestment, RD&I and other tax credits). No new tax credits for these items were recognised in 2023.

Years open for review by the taxation authorities

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

At 31 December 2023, the companies comprising the Group were subject to review by the taxation authorities for the tax periods that were not beyond the statute of limitations for all taxes applicable pursuant to the legislation in force in the various jurisdictions in which they operate.

In 2023, the Algerian authorities notified the OHLA 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.

Settlements, paid via indirect methods and without the assistance of the Branch, are currently under appeal by the Parent, as it is not in agreement. Its directors, backed by reports from external advisors, concluded that there were no circumstances warranting the recognition of any provisions for these audits.

The Parent's directors consider that the tax returns for all the taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions or of potential tax audits of the years open for review, any contingent tax liabilities that may arise would not have a material effect on the accompanying consolidated financial statements.

Tax receivables and payables

Tax receivables and payables at 31 December 2023 and 2022:

Concept	EUR thousand			
	Current assets		Current liabilities	
	2023	2022	2023	2022
Value added tax	43,048	43,318	50,742	41,146
Other taxes	37,961	46,570	18,998	19,841
Social Security	262	2,269	7,638	13,460
Total	**81,271**	**92,157**	**77,378**	**74,447**

3.22 Revenue and expenses

Revenue

Revenue for the Group in 2023 rose by 9.3% to EUR 3,131,514 thousand (2022: EUR 2,865,380 thousand), broken down by business activity and type of customer as follows:

Business activity	EUR thousand		
	2023	2022 (*)	% change
	No corriente	No corriente	
Construction	2,902,726	2,709,347	7.1%
Industrial	205,106	130,567	57.1%
Other	23,682	25,466	-7.0%
Total revenue	**3,131,514**	**2,865,380**	**9.3%**

(*) Restated

Concept	EUR thousand					
	2023					
	Spain		Abroad		Total	
	Public sector	Private sector	Public sector	Private sector	Public sector	Private sector
Construction	322,621	206,327	1,942,164	431,614	2,264,785	637,941
Industrial	-	198,024	541	6,541	541	204,565
Other	58	1,499	13,822	8,303	13,880	9,802
Total revenue	**322,679**	**405,850**	**1,956,527**	**446,458**	**2,279,206**	**852,308**

The geographical distribution of revenue in 2023 and 2022 is provided in the following tables:

Geographical area	EUR thousand	
	2023	2022 (*)
US and Canada	1,055,697	1,155,099
Mexico	86,408	21,108
Chile	221,157	180,144
Peru	227,517	220,919
Colombia	41,081	43,768
Spain	728,529	589,511
Central and Eastern Europe	471,110	439,396
Northern Europe	235,528	148,033
Other countries	64,487	67,402
Total revenue	**3,131,514**	**2,865,380**

(*) Restated

	EUR thousand	
	2023	2022 (*)
Spanish market	**728,529**	**589,511**
International market:	**2,402,985**	**2,275,869**
European Union	589,004	499,620
Eurozone	174,062	67,637
Non-eurozone	414,942	431,983
Other	1,813,981	1,776,249
Total	**3,131,514**	**2,865,380**

(*) Restated

Set out below is the reconciliation of segment revenue to consolidated revenue for 2023 and 2022:

	EUR thousand					
	2023			2022 (*)		
Segment	Revenue from external customers	Inter-segment revenue	Total revenue	Revenue from external customers	Inter-segment revenue	Total revenue
Construction	2,902,726	18,861	2,921,587	2,709,347	20,779	2,730,126
Industrial	205,106	1,780	206,886	130,567	2,458	133,025
Other	23,682	29,445	53,127	25,466	10,416	35,882
Adjustments to and eliminations of inter-segment revenue	-	(50,086)	(50,086)	-	(33,653)	(33,653)
Total	**3,131,514**	**-**	**3,131,514**	**2,865,380**	**-**	**2,865,380**

(*) Restated

Other operating income

In 2023, this item amounted to EUR 178,574 thousand (2022: EUR 92,965 thousand). This heading includes items such as amounts invoiced to third parties for transactions outside the companies' ordinary course of business, compensation received from third parties for positive rulings in lawsuits, gains or losses on disposals of property, plant and equipment and surplus provisions for liabilities and charges.

Cost of sales

This item amounted to EUR 1,750,249 thousand in 2023 (2022: EUR 1,655,493 thousand).

Staff costs

Staff costs in 2023 totalled EUR 656,896 thousand (2022: EUR 583,184 thousand).

In 2021, the Parent approved a remuneration scheme for certain managers upon their departure. The expense recognised in profit or loss for 2023 amounted to EUR 1,296 thousand (2022: EUR 1,295 thousand). In this connection, the Group recognises a non-current provision for employee benefits expense in the consolidated statement of financial position.

Other operating expenses

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

Concept	EUR thousand	
	2023	2022 (*)
External services	(361,346)	(273,328)
Taxes other than income tax	(16,487)	(17,420)
Other operating expenses	(399,021)	(326,328)
Total	**(776,854)**	**(617,076)**

(*) Restated

Finance income

Finance income in 2023 amounted to EUR 30,333 thousand (2022: EUR 14,135 thousand) and related primarily to revenue from late payment interest and loans to associates.

Finance costs

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

Concept	EUR thousand	
	2023	2022 (*)
Finance costs on notes	(47,051)	(50,401)
Interest on bank borrowings	(6,847)	(1,552)
Interest on discounted bills and factoring	(6,182)	(3,345)
Finance costs on finance lease transactions	(3,405)	(2,966)
Financing fees and commissions, debt arrangement expenses and other	(20,685)	(13,491)
Total	**(84,170)**	**(71,755)**

(*) Restated

Finance costs on the notes includes the coupon (EUR 21,822 thousand), the PIK (EUR 10,332 thousand) and the expense related to fair value (EUR 14,897 thousand). The decrease from the year before was the result of the partial redemption of the notes in January 2023 (see Note 3.17.1).

The increase in interest on bank borrowings was due primarily to the bridge financing agreement (ICO) arranged by the Parent in May 2023 (see Note 3.17.2).

"Others" 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.

Exchange differences (gains and losses)

Exchange gains in 2023 amounted to EUR 14,134 thousand (2022: EUR 21,687 thousand of exchange losses), affected most by the trend in the Colombian and Chilean pesos.

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

The net gain in 2023 amounted to EUR 1,906 thousand (2022: EUR 188 thousand).

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

The Group's share of profit in 2023 amounted to EUR 10,983 thousand (2022: EUR 4,546 thousand of losses).

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

In 2023, this statement of profit or loss item presented a loss of EUR 19,631 thousand (2022: EUR 21,767 thousand) and included the write-down to the investment in the Canalejas Project for EUR 7,140 thousand (see Note 3.7.1) and of EUR 9.000 thousand for a claim of compensation arising on the sale of OHL Concesiones, S.L., as stipulated in the agreement with the buyer, IFM and Aleática (formerly OHL Concesiones), in which the parties closed mutual claims (see Note 4.6.2.2.). The deferred payment is recognised in the statement of financial position under "Other non-current liabilities".

Foreign currency balances

Foreign currency transactions carried out by Group companies in 2023 by currency and the main operating income and expense items, translated to euros at the average exchange rates, are as follows:

Currency	EUR thousand			
	Revenue	Other income	Cost of sales	Other operating expenses
Czech koruna	271,475	298	353,357	17,777
Norwegian krone	26,080	2,509	11,376	2,761
Swedish krona	72,698	157	43,598	24,482
US dollar	1,086,707	49,937	495,536	352,487
Pound sterling	86,250	128	34,722	32,416
Chilean peso	203,187	3,158	87,273	48,010
Colombian peso	39,088	3,010	(15,053)	13,264
Mexican peso	81,091	2,687	44,951	17,844
Saudi riyal	5,612	8,760	96	13,777
Peruvian sol	227,293	2,004	107,226	39,514
Other currencies	16,886	13,026	25,913	15,473
Total	**2,116,367**	**85,674**	**1,188,995**	**577,805**

Foreign currency balances at 31 December 2023 and 2022 by currency and the main asset items in the consolidated statement of financial position, translated to euros at the year-end exchange rates, are as follows:

Currency	EUR thousand		
	31/12/2023		
	Non-current financial assets	Current financial assets	Trade and other receivables
Czech koruna	1,964	-	58,779
Norwegian krone	55	168	641
Swedish krona	-	70	10,749
Kuwaiti dinar	23	4	4,982
Canadian dollar	-	107	15,191
US dollar	2,892	30,147	483,770
Chilean peso	37,838	1,819	82,158
Pound Sterling	-	8,051	2,846
Mexican peso	23	4,101	83,356
Saudi riyal	1,372	213	25,173
Colombian peso	8,691	1,177	87,336
Qatari riyal	2,665	-	19,007
Peruvian sol	-	2,522	173,624
Other currencies	199	29	11,840
Total	**55,722**	**48,408**	**1,059,452**

Currency	EUR thousand		
	31/12/2022		
	Non-current financial assets	Current financial assets	Trade and other receivables
Czech koruna	2,413	-	92,621
Norwegian krone	154	180	7,723
Swedish krona	-	72	11,027
Kuwaiti dinar	25	4	6,905
Canadian dollar	-	109	14,624
US dollar	2,526	64,517	493,987
Chilean peso	14,845	1,125	38.407
Pound Sterling	7,892	19,614	5,198
Mexican peso	45	148	67,819
Saudi riyal	1,463	220	24,029
Colombian peso	4,053	247	57,296
Qatari riyal	3,646	-	20,112
Peruvian sol	-	48	127,368
Other currencies	122	865	23,497
Total	**37,184**	**87,149**	**990,613**

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

Currency	EUR thousand		
	31/12/2022		
	Non-current financial assets	Current financial assets	Trade and other receivables
Czech koruna	15,737	91,523	18,124
Norwegian krone	-	12,157	233
Swedish krona	-	39,415	1,055
Kuwaiti dinar	-	29,019	59
US dollar	8,226	455,629	39,102
Chilean peso	4,590	73,408	18,718
Pound Sterling	540	13,684	89
Colombian peso	-	75,288	22,607
Mexican peso	1,504	74,615	19,269
Saudi riyal	-	16,171	10,973
Qatari riyal	-	41,805	21,887
Peruvian sol	-	164,666	28,291
Other currencies	-	9,913	1,516
Total	**30,597**	**1,097,293**	**181,923**

Currency	EUR thousand		
	31/12/2022		
	Non-current financial assets	Current financial assets	Trade and other receivables
Czech koruna	13,045	97,941	17,104
Norwegian krone	-	24,483	1,615
Swedish krona	-	27,380	841
Kuwaiti dinar	-	27,599	58
US dollar	6,992	542,143	53,981
Chilean peso	340	47,412	8,068
Pound Sterling	621	27,380	311
Colombian peso	-	87,185	13,770
Mexican peso	1,645	45,313	15,518
Saudi riyal	-	8.77	9,315
Qatari riyal	-	46,624	-
Peruvian sol	-	156,803	7,099
Other currencies	-	19,151	3,760
Total	**22,643**	**1,157,491**	**131,440**

3.23 Consolidated statement of cash flows

The consolidated statement of cash flows was prepared in accordance with IAS 7 and is unaffected by fluctuations in exchange rates vis-à-vis the euro of the currencies in which the Group operates.

The requisite classifications were made to properly reflect the changes due to inclusions in and exclusions from the scope of consolidation.

Highlights for each of the main sections of the consolidated statement of cash flows are as follows:

Operating activities

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

Concept	EUR thousand	
	2023	2022 (*)
Change in provisions	(44,741)	(15,068)
Net finance income/(expense)	57,428	100,886
Share of profit/(loss) of companies accounted for using the equity method	(10,983)	4,546
Total	**1,704**	**90,364**

(*) Restated

Net cash flows from operating activities in the year ended 31 December 2023 amounted to EUR 199,602 thousand, compared to EUR 9,479 thousand of net cash flows used in operating activities the year before.

Investing activities

Net cash flows used in investing activities in 2023 amounted to EUR 6,321 thousand.

Payments for investments amounted to EUR 95,601 thousand.

Proceeds from disposals amounted to EUR 62,712 thousand.

Financing activities

Net cash flows used in financing activities in the year ended 31 December 2023 amounted to EUR 43,111 thousand and included changes in financing sources (see Note 3.17) and payment of interest on loans and borrowings.

Considering these cash inflows and outflows and net foreign exchange differences, cash and cash equivalents at the end of the period amounted to EUR 596,640 thousand.

4

OTHER DISCLOSURES

4.1 Segment information

An operating segment is defined in the standards as a segment that has a segment manager who is directly accountable to and maintains regular contact with the chief operating decision maker to discuss operating activities, financial results, forecasts, or plans for the segment. The standard also states that if those characteristics apply to more than one set of components of an organisation but there is only one set for which segment managers are held responsible, that set of components constitutes the operating segments.

The Group considers that segmentation based on the various business areas in which it operates best represents it, as follows:

- Construction
- Industrial
- Other (other minor businesses, corporate and consolidation adjustments)

"Other" includes primarily minor businesses (concessions and real estate developments), equity investments the Group holds current in the Canalejas Project and other financial assets.

The following tables provide basic segment information for 2023 and 2022.

	EUR thousand				
	2023				
Concept	Construction	Industrial	Other	Discontinued operation (Services)	Total Group
Revenue	2,902,726	205,106	23,682	-	3,131,514
EBITDA (*)	147,044	7,239	(28,194)	-	126,089
Margin, %	5.1%	3.5%	-119.1%	-	4.0%
Depreciation and amortisation	(25,413)	1,400	(11,408)	-	(35,421)
EBIT	121,631	8,639	(39,602)	-	90,668
Margin, %	4.2%	4.2%	-	-	2.9%
Finance income and costs	43,550	5,592	(102,979)	-	(53,837)
Income tax expense	(36,459)	(2,550)	842	-	(38,167)
Current assets	2,019,353	139,688	222,126	135,992	2,517,159
Current liabilities	1,709,183	109,215	160,279	69,569	2,048,246
Total assets	2,448,622	143,614	532,464	135,992	3,260,692
Total liabilities	1,906,237	128,417	659,175	69,569	2,763,398
Operating cash flow (**)	182,103	23,997	(112,618)	4,855	98,337
Change in net borrowings	(187,140)	(13,169)	100,862	323	(99,124)
Investments and other	5,037	(10,828)	11,756	(5,178)	787
Investments in associates and joint ventures and additions to non-current assets	85,580	655	44,518	-	130,753

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

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

	EUR thousand				
	2022 (*)				
Concept	Construction	Industrial	Other	Discontinued operation (Services)	Total Group
Revenue	2,709,347	130,567	25,466	-	2,865,380
EBITDA (**)	129,306	4,428	(31,142)	-	102,592
Margin, %	4.8%	3.4%	-122.3%	-	3.6%
Depreciation and amortisation	(49,303)	(3,963)	(10,367)	-	(63,633)
EBIT	80,003	465	(41,509)	-	38,959
Margin, %	3.0%	0.4%	-163.0%	-	1.4%
Finance income and costs	20,489	2,272	(80,381)	-	(5,620)
Income tax expense	(30,216)	(4,463)	4,168	-	(30,511)
Current assets	1,870,923	161,209	229,533	102,715	2,364,380
Current liabilities	1,725,567	145,017	19,190	98,960	1,988,734
Total assets	2,309,153	176,391	583,737	125,032	3,194,314
Total liabilities	1,856,361	186,057	487,928	106,713	2,637,059
Operating cash flow (***)	34,428	117	(96,823)	-	(62,278)
Change in net borrowings	(7,496)	(4,706)	77,185	(4,049)	60,934
Investments and other	(26,932)	4,589	19,638	4,049	1,344
Investments in associates and joint ventures and additions to non-current assets	93,044	410	30,297	11,609	135,360

(*) Restated

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

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

Breakdown of the main items and most significant amounts included in "Other" 31 December 2023 and 2022:

- Operating loss in the year amounted to EUR 39,602 thousand, mostly due to corporate overheads.
- Total assets at year-end stood at EUR 532,464 thousand and included mainly the following items:
  - Financial interest in the Canalejas Project, for EUR 185,250 thousand (see Note 3.7).
  - Investments in concession projects for EUR 33,866 thousand.
  - Financial interest in concession operator Centre Hospitalier de l'Université de Montréal (CHUM), for EUR 28,793 thousand, which was reclassified to non-current assets held for sale (see Note 3.8).
  - Cash and other current financial assets for EUR 261,206 thousand.

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

EUR thousand										
2023										
Concept	**US and Canada**	**Mexico**	**Chile**	**Peru**	**Colombia**	**España**	**Central and Eastern Europe**	**Northern Europe**	**Other countries**	**Total Group**
Revenue	1,055,697	86,408	221,157	227,517	41,081	728,529	471,110	235,528	64,487	3,131,514
EBITDA (*)	53,246	10,984	8,964	37,464	995	(6,804)	28,215	29,155	(36,130)	126,089
Margin, %	5.0%	12.7%	4.1%	16.5%	2.4%	-0.9%	6.0%	12.4%	-56.0%	4.0%
EBIT	23,140	9,789	11,368	31,168	1,727	(17,472)	20,525	22,575	(12,152)	90,668
Margin, %	2.2%	11.3%	5.1%	13.7%	4.2%	-2.4%	4.4%	9.6%	-18.8%	2.9%
Profit/(loss) after tax (attributable to the Parent)	15,872	41,656	39,120	30,295	2,576	(154,263)	18,790	28,800	(17,323)	5,523
Margin, %	1.5%	48.2%	17.7%	13.3%	6.3%	-21.2%	4.0%	12.2%	-26.9%	0.2%
Trade receivables (net of allowances and advances)	274,056	38,237	24,560	57,878	20,338	129,767	63,762	(8,667)	27,531	627,462
Headcount at year-end	1,437	367	3,309	2,693	375	2,421	1,589	127	90	12,408
Short-term backlog	3,163,016	113,997	689,315	487,225	203,891	1,330,699	431,489	243,509	74,283	6,737,424
Long-term backlog	-	-	1,044,136	-	-	-	-	-	-	1,044,136
Total backlog	3,163,016	113,997	1,733,451	487,225	203,891	1,330,699	431,489	243,509	74,283	7,781,560

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

EUR thousand										
2022 (*)										
Concept	**US and Canada**	**Mexico**	**Chile**	**Peru**	**Colombia**	**España**	**Central and Eastern Europe**	**Northern Europe**	**Other countries**	**Total Group**
Revenue	1,155,099	21,108	180,.144	220,919	43,768	589,511	439,396	148,033	67,402	2,865,380
EBITDA (**)	50,002	(2,917)	23,404	19,598	(16)	(9,831)	19,491	3,562	(701)	102,592
Margin, %	4.3%	-13.8%	13.0%	8.9%	0.0%	-1.7%	4.4%	2.4%	-1.0%	3.6%
EBIT	8,828	(714)	16,518	18,856	(1,722)	(26,917)	12,770	2,025	9,315	38,959
Margin, %	0.8%	-3.4%	9.2%	8.5%	-3.9%	-4.6%	2.9%	1.4%	13.8%	1.4%
Profit/(loss) after tax (attributable to the Parent)	(10,039)	8,215	30,876	18,042	(13,199)	(138,265)	10,683	(5,682)	2,529	(96,840)
Margin, %	-0.9%	38.9%	17.1%	8.2%	-30.2%	-23.5%	2.4%	-3.8%	3.8%	-3.4%
Trade receivables (net of allowances and advances)	244,487	34,804	22,989	(28,655)	7,586	236,679	100,883	(27.075)	31,726	623,424
Headcount at year-end	1,641	212	2,049	1,070	362	2,069	1,516	136	100	9,155
Short-term backlog	2,829,612	89,429	507,992	394,625	184,623	1,019,913	469,920	330,898	96,256	5,923,268
Long-term backlog	-	-	490,148	-	-	-	-	-	-	490,148
Total backlog	2,829,612	89,429	998,140	394,625	184,623	1,019,913	469,920	330,898	96,256	6,413,416

(*) Restated

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

4.2 Risk management policy

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

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

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

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

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

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

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

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

Group management draws up a risk map on a regular basis, identifying and assessing current risks and any emerging risks that might affect the Group in the future.

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

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

The Group's Risk Control and Management Policy is reviewed annually to ensure that it remains aligned with the interests of the Group and its stakeholders and is available to all of them.

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

Project risk

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

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 inflation 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 OHLA operates 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. 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 Group'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

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

Litigation and arbitration risk

This is risk related to litigation in the sector bearing high costs, arising from disputes with customers or suppliers whose outcome will go against OHLA's interests. OHLA 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

EThe Group is exposed to risk in the value of its assets and liabilities benchmarked to floating interest rates to the extent that changes in the indices affect cash flows and net finance income/(expense).

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.

Bank borrowings generally bear interest based on the Euribor rate, the US dollar Libor and other interbank indices for other currencies. Meanwhile, notes issued by the Group bear fixed rates of interest.

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

The Group did not have any interest rate swaps at 31 December 2023 and 2022.

Foreign currency risk

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

Foreign currency risks relate primarily to:

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

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

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

Fluctuations in the exchange rate of the currency in which a transaction is carried out relative to the presentation currency can have a negative or positive impact on profit or loss for the year and equity.

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

	EUR thousand		
	2023		
Currency	Profit/(loss)	Translation differences	Total equity
Czech koruna	-	(6,464)	(6,464)
Norwegian krone	(873)	12	(861)
Swedish krona	-	(2,965)	(2,965)
Algerian dinar	(114)	-	(114)
Kuwaiti dinar	(1,805)	-	(1,805)
Canadian dollar	-	1,272	1,272
US dollar	(1,486)	398	(1,088)
Chilean peso	(1,929)	2,990	1,061
Colombian peso	1,650	(2,270)	(620)
Australian dollar	(73)	94	21
Mexican peso	520	(1,484)	(964)
Pound sterling	(256)	-	(256)
Qatari riyal	(3,151)	-	(3,151)
Peruvian sol	(1,306)	61	(1,245)
Total	**(8,823)**	**(8,356)**	**(17,179)**

	EUR thousand		
	2022		
Currency	Profit/(loss)	Translation differences	Total equity
Czech koruna	-	(3,306)	(3,306)
Norwegian krone	(1,355)	4	(1,351)
Algerian dinar	398	-	398
Kuwaiti dinar	(1,554)	-	(1,554)
Canadian dollar	-	1,214	1,214
US dollar	(3,718)	(1,457)	(5,175)
Chilean peso	(1,095)	968	(127)
Colombian peso	1,229	(5,575)	(4,346)
Australian dollar	(52)	(353)	(405)
Mexican peso	85	439	524
Pound sterling	330	(1)	329
Peruvian sol	(2,810)	98	(2,712)
Total	**(8,542)**	**(7,969)**	**(16,511)**

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 impact would be as follows:

	EUR thousand		
	2023		
Currency	Profit/(loss)	Translation differences	Total equity
Czech koruna	-	5,877	5,877
Norwegian krone	794	(10)	784
Swedish krona	-	2,695	2,695
Algerian dinar	103	-	103
Kuwaiti dinar	1,641	-	1,641
Canadian dollar	-	(1,157)	(1,157)
US dollar	1,352	(362)	990
Chilean peso	1,754	(2,718)	(964)
Colombian peso	(1,501)	2,064	563
Australian dollar	67	(85)	(18)
Pound sterling	233	-	233
Mexican peso	(472)	1,349	877
Qatari riyal	2,865	-	2,865
Peruvian sol	1,187	(54)	1,133
Total	**8,023**	**7,599**	**15,622**

	EUR thousand		
	2022		
Currency	Profit/(loss)	Translation differences	Total equity
Czech koruna	-	3,006	3,006
Norwegian krone	1,233	(3)	1,230
Algerian dinar	(363)	-	(363)
Kuwaiti dinar	1,413	-	1.413
Canadian dollar	-	(1,104)	(1,104)
US dollar	3,380	1,324	4,704
Chilean peso	995	(880)	115
Colombian peso	(1,117)	5,068	3,951
Australian dollar	46	321	367
Pound sterling	(300)	1	(299)
Mexican peso	(78)	(399)	(477)
Peruvian sol	2,555	(89)	2,466
Total	**7,764**	**7,245**	**15,009**

Credit risk

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

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

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

Concept	EUR thousand
Non-current financial assets and concession infrastructure	120,005
Trade and other receivables	1,392,558
Investments in financial assets (see Note 3.6.)	218,248
Cash and cash equivalents	596,640

Non-current financial assets and concession infrastructure

Non-current financial assets includes net loans to associates amounting to EUR 67,624 thousand. The Group is aware of the solvency of its associates and does not expect any losses to arise in relation to these financial assets.

Trade and other receivables

This item includes trade receivables amounting to EUR 1,175,402 thousand, of which 71.4% 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 28.6% related to private sector customers which, in general, are highly solvent.

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

In applying IFRS 9 *Financial Instruments*, which addresses expected credit losses, the Group recognised an allowance of EUR 5,000 thousand (see Note 2.6.6).

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, at 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), with part of the proceeds obtained going to cancel the previous bridge loan and the remainder to fund current operations.

iii. Actively managing the sale of the stake in Centre Hospitalier de l'Université de Montréal (CHUM) (see Note 3.6), 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.

4.3 Number of employees

The following table sets out the average number of employees in 2023 and 2022 and the total numbers at both year-end by employee category and gender, and by continuing and discontinued operations:

Continuing operations	Average number of employees		Number of employees at year-end	
Employee category	**2023**	**2022**	**31/12/2023**	**31/12/2022**
Senior managers/executives	74	75	78	72
Middle managers	801	837	786	862
Other line personnel	3,458	2,949	3,869	3,019
Clerical staff	661	512	729	558
Other employees	6,050	4,181	6,946	4,644
Total	**11,044**	**8,554**	**12,408**	**9,155**
Permanent employees	7,189	6,113	7,995	6,627
Temporary employees	3,855	2,441	4,413	2,528
Total	**11,044**	**8,554**	**12,408**	**9,155**
Men	9,369	7,135	10,528	7,693
Women	1,675	1,419	1,880	1,462
Total	**11,044**	**8,554**	**12,408**	**9,155**

Cash-generating unit	Average number of employees		Number of employees at year-end	
Employee category	**2023**	**2022**	**31/12/2023**	**31/12/2022**
Senior managers/executives	16	14	16	15
Middle managers	63	55	66	63
Other line personnel	280	255	298	260
Clerical staff	79	76	81	75
Other employees	16,937	14,835	18,206	15,302
Total	**17,375**	**15,235**	**18,667**	**15,715**
Permanent employees	14,298	11,973	15,283	13,326
Temporary employees	3,077	3,262	3,384	3,389
Total	**17,375**	**15,235**	**18,667**	**15,715**
Men	4,246	3,838	4,526	3,831
Women	13,129	11,397	14,141	11,884
Total	**17,375**	**15,235**	**18,667**	**15,715**

The average number of employees with a disability of a severity equal to or greater than 33% in 2023 and 2022 was 581 and 460, respectively.

4.4 Related party transactions

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

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.

The following table sets out related party transactions carried out in 2023 and 2022:

	EUR thousand			
Concept	**2023**	**% s/Total**	**2022 (*)**	**% s/Total**
Revenue and expenses				
Revenue	25	0.0%	(403)	0.0%
Other operating income	-	0.0%	11	0.0%
Cost of sales	710	0.0%	-	0.0%
Other operating expenses	568	0.1%	1,362	0.2%
Profit or loss of discontinued operations	(13)	0.0%	6	0.0%
Other transactions				
Guarantees and deposits provided	(370)	0.0%	277	0.0%
Repayment or cancellation of loans granted	-	-	17,026	0.0%
Other transactions	-	-	102	0.0%

(*) Restated

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

CIF	Related party	Item	Group company	EUR thousand
B-82607839	Promociones y Propiedades Inmobiliarias Espacio, S.L.U.	Revenue	Avalora Tecnologías de la Información, S.A.	23
A-82500257	Grupo Villar Mir, S.A.U.	Revenue	Avalora Tecnologías de la Información, S.A.	2
PTP1509286F8	Prefabricados y Transportes PRET, S.A. de C.V.	Cost of sales	Mexprepac, S.R.L. de C.V.	710
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Agrupación Guinovart Obras y Servicios Hispania, S.A.	1
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Construcciones Adolfo Sobrino, S.A.	2
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Asfaltos y Construcciones Elsan, S.A.	4
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Chemtrol Proyectos y Sistemas, S.L.	8
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Obrascon Huarte Lain, S.A.	13
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Other operating expenses	Pacadar, S.A.U.	196
B-80209232	Inse Rail, S.L.	Other operating expenses	Obrascon Huarte Lain, S.A.	2
JSE110223AT0	Jetflight Services, S.A. de C.V.	Other operating expenses	Obrascon Huarte Lain, S.A.	39
PTP1509286F8	Prefabricados y Transportes PRET, S.A. de C.V.	Other operating expenses	Mexprepac, S.R.L. de C.V.	303
B-83393066	Enérgya VM Gestión de Energía, S.L.U.	Transactions of discontinued operations	OHL Servicios-Ingesan, S.A.U.	13
Other transactions				
B-09925785	Espacio Promoción IV, S.L.	Provision of guarantees	Obrascon Huarte Lain, S.A.	221
B-83962225	Espacio Living Homes, S.L.	Cancellation of guarantees	Obrascon Huarte Lain, S.A.	591

Related party balances at 31 December 2023 and 2022 were as follows:

	EUR thousand			
Concept	**31/12/2023**	**% s/Total**	**31/12/2022**	**% s/Total**
Non-current assets				
Other receivables	-	-	17,806	16%
Current assets				
Advances to suppliers and subcontractors	260	0.0%	-	-
Trade receivables	-	-	998	0.1%
Other receivables	-	-	14	0.0%
Other receivables	-	-	11,150	62.1%
Current liabilities				
Advances received from customers	-	-	166	0.0%
Trade payables	690	0.1%	10	0.0%

At 31 December 2023, the Group had not provided any guarantees to related parties (2022: EUR 923 thousand).

4.5 Backlog

At 31 December 2023, the Group's backlog from companies included in continuing operations stood at EUR **7.781.560 thousand** (2022: EUR 6.413.416 thousand).

Revenue receivable from performance obligations not yet satisfied at year-end 2023, their amount recognised in the Group's total backlog and breakdown, and the estimate for the years in which the revenue could materialise are as follows:

	EUR thousand					
	2023			2022 (*)		
Business activity	**Short-term**	**Long-term**	**Total**	**Short-term**	**Long-term**	**Total**
Construction	6,543,842	-	6,543,842	5,807,307	-	5,807,307
Industrial	193,582	-	193,582	115,961	-	115,961
Other	-	1,044,136	1,044,136	-	490,148	490,148
Total backlog	**6,737,424**	**1,044,136**	**7,781,560**	**5,923,268**	**490,148**	**6,413,416**

(*) Restated

Of the total short-term backlog at 31 December of EUR 6.737.424 thousand (2022: EUR 5.923.268 thousand), EUR 5.266.547 thousand related to public sector customers and EUR 1.470.877 thousand to private sector customers (2022: EUR 4.747.450 thousand and EUR 1.175.818 thousand, respectively).

Geographical area	EUR thousand					
	2023			2022 (*)		
	Short-term	Long-term	Total	Short-term	Long-term	Total
US and Canada	3,163,016	-	3,163,016	2,829,612	-	2,829,612
Mexico	113,997	-	113,997	89,429	-	89,429
Chile	689,315	1,044,136	1,733,451	507,992	490,148	998,140
Peru	487,225	-	487,225	394,625	-	394,625
Colombia	203,891	-	203,891	184,623	-	184,623
Spain	1,330,699	-	1,330,699	1,019,913	-	1,019,913
Central and Eastern Europe	431,489	-	431,489	469,920	-	469,920
Northern Europe	243,509	-	243,509	330,898	-	330,898
Other countries	74,283	-	74,283	96,256	-	96,256
Total backlog	**6,737,424**	**1,044,136**	**7,781,560**	**5,923,268**	**490,148**	**6,413,416**

(*) Restated

At 31 December 2023, the international backlog represented 83% of the total (2022: 84%).

Revenue receivable from performance obligations not yet satisfied at year-end 2023, their amount recognised in the Group's total backlog and breakdown, and the estimate for the years in which the revenue could materialise are as follows:

	EUR thousand				
Concept	2024	2025	2026	Other year	Total backlog
Construction	2,759,661	2,025,242	1,001,377	757,561	6,543,841
Other	177,568	44,548	24,139	991,463	1,237,718
Total	**2,937,230**	**2,069,790**	**1,025,516**	**1,749,024**	**7,781,559**

Other includes the Industrial and Other activities. Other includes revenue expected from concession operators, primarily the concessions for hospitals in Chile.

4.6 Contingent assets and liabilities

4.6.1 Contingent assets

There were no material contingent assets as a 31 December 2023.

4.6.2 Contingent liabilities and guarantees

4.6.2.1 Guarantees provided to third parties

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

At 31 December 2023, guarantees provided by Group companies to third parties stood a EUR 4,226,988 thousand (2022: EUR 3,542,485 thousand). EUR 4,182,164 thousand (2022: EUR 3,496,638 thousand) related to performance bonds provided to government bodies and private customers to guarantee successful completion of construction work; the remainder related to provisional guarantees for construction tenders.

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

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

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

Joint and several personal financial guarantees

At year-end 2023, no Group company had provided personal and/or joint and several guarantees to third parties. The amount of these guarantees at 31 December 2022 and EUR 1,845 thousand.

Investment commitments

Under their concession contracts, concession operators must make specified investments (see Note 3.2.).

Financing for the investments is primarily through non-recourse external financing granted to concession operators and, to a lesser extent, equity contributions and cash flows from the projects. As the amounts to be obtained via loans and the cash flows to be generated are estimates and not fixed amounts, there is no specific amount or timing of capital contributions to be made by subsidiaries so the Group can meet its obligations.

4.6.2.2 Litigation

- At 31 December 2023, the Parent and its subsidiaries were involved in a range of disputes arising from the ordinary course of business.

  In the Construction and Industrial divisions, the key disputes were:

  In 2014, the Group reported that the contract for the **Design and Construction of the Sidra Medical Research Centre (Doha, Qatar), Qatar Foundation for Education, Science and Community Development (QF)** and the joint venture formed by the Parent and Contrack Cyprus Ltda. (interests of 55% and 45%, respectively), had given rise to an arbitration proceeding, which began on 30 July 2014 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 45.2 million), acknowledgement of and payment for scope modifications that were executed but remain unpaid, in respect of which an arbitral award is yet to be made (QAR 76 million, or EUR 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 Parent's management, and in view of the timeframes within which an arbitration award might be expected, the Parent's directors have reassessed the various scenarios for the outcome of the arbitration as a whole and have drawn the conclusion that, despite the remaining uncertainty, it is unlikely that the Group will suffer any additional economic loss.

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 Parent 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 Parent'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 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 counterclaim 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 Parent's directors drew the conclusion it is unlikely that the Group will suffer any additional economic loss.

- After a suspension period, proceedings resumed by Obrascón Huarte Lain, S.A. against the Polish company PGB, S.A. OHL seeks damages of PLN 191.5 million (EUR 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, 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, 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 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 seeks damages of COP 313,769 million (EUR 73.4 million), while Autopista Rio Magdalena claims 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. 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 primarily 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. For the arbitration proceeding with Autopista Rio Magdalena, S.A., 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 to 2028 (on 30 April each year) and a final payment of EUR 19.5 million on 30 April 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).

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

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

- The Group has received a request for arbitration proceedings by Promet Montajes SpA, OHL Industrial Chile, S.A.'s subcontractor in the Mantos Blancos project in Chile. Promet is initially seeking UFs 1.4 million in its claim (EUR 52.9 million). The Group counter-claimed for UFs 0.77 million (EUR 29.1 million).

The Parent's directors drew the conclusion that, despite the remaining uncertainty and the original circumstances, it is unlikely that the Group will suffer any additional economic loss.

Regarding Group investments in companies undergoing liquidation, the key disputes were:

- On 16 July 2021, a fully favourable ruling was issued for case 882/2019 in Madrid Court of First Instance No.

  10 against OHLA brought by the funds TDA 2015-1 Fondo de Titulización, TDA 2017-2 Fondo de Titulización, Bothar Fondo de Titulización and Kommunalkredit Austria, Ag.

  The claimants, as creditors, argued that the borrower was under certain obligations set out in the Sponsor Agreement entered into by the borrower as part of the project finance for a concession operator now in liquidation, **Autopista Eje Aeropuerto Concesionaria Española, S.A.U.** The ruling dismissed the claimant funds' case in its entirety

  The funds appealed this ruling and a new one was issued in May that was fully favourable to Obrascón Huarte Lain S.A. The appeal ruling was notified on 29 June 2023. The funds requested clarification of certain items in the ruling, but this request was denied. Then, on 23 December 2023, an appeal for judicial review against this ruling was announced. It has yet to be accepted for processing.

  The value of the claim is EUR 212.4 million, in the form of a subordinate loan, contribution to equity, capital increase amount, or damages, plus EUR 70.9 million in late payment interest.

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

  In its decision of 13 October 2015, the court ordered commencement of the liquidation procedure and, accordingly, the termination of the contract.

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

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

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

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

  In February 2020, the concession operator in liquidation received a governmental notice stating a preliminary calculation of State liability as being nil. Therefore, the company contested the final decision in the administrative proceeding determining State liability by lodging an application for judicial review in Section 5 of the judicial review division of the Supreme Court (case PO: 121/21).

  The Council of Ministers issued a new resolution on 28 December 2021 amending the amount of the State liability to be received by Autopista Eje Aeropuerto. Pursuant to this resolution, this company was paid EUR 59.4 million; i.e. the recognised amount of EUR 46.5 million plus interest. The company widened the scope of appeal 121/21 to include this decision by the Council of Ministers since the amount received is not the amount originally sought by the company in its application. The proceeding is currently suspended for a period of up to two years (i.e. end of the statute of limitations according to civil procedural law in Spain).

  The Company intends to resume the lawsuit in the first four months of 2024, after coordinating the action with the experts (KPMG and AUREN) assessing the amounts that may be sought. According to their respective reports, the figure could be around EUR 70 million, in addition to any interest and costs of compulsory expropriation considered recoverable to the extent that the damage is not attributable to the concession operator, as well as any other items being analysed by these experts.

  Settlement will be recalculated by the Council of Ministers applying the criteria in the ruling challenging the resolution of the Council of Ministers. However, after analysing the ruling, although legal proceedings are still ongoing regarding settlement of the State liability, the directors and their legal advisors consider it unlikely that OHLA Group will recover the amount of its investment in Aeropistas, S.L., the sole shareholder of Autopista Eje Aeropuerto Concesionaria Española S.A. Therefore, the Group recognised an impairment loss for the full amount, of EUR 18.6 million, at year-end 2021.

- In October 2020, Concession operator **Cercanías Móstoles Navalcarnero, S.A.** filed a further administrative claim to recover EUR 53.5 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 3.6) 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.

Regarding the "Lezo Affair":

- Ancillary proceeding 3.

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

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

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

- Ancillary proceeding 8.

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

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

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

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

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

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

Contingent liabilities

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

Further events worth disclosing:

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

- 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 Parent for alleged practices of "horizontal collusion" (i.e., price-fixing) in connection with government tenders in Peru in the period 2002-2016. The proposed fine would come to USD 51 million (EUR 46.2 million). On 17 November 2021, a first-instance decision was issued, imposing a penalty on the Group of UIT 28,269 (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, there was no reason to recognise any provision in this respect.

4.7 Information on deferred payments to suppliers.

The average supplier payment period was calculated in accordance with Law 15/2010 establishing measures to combat late payment in commercial transactions as amended by Law 18/2022 of 28 September on the creation and development of companies.

In accordance with this piece of legislation, the disclosures to be included in the Group's consolidated financial statements regarding companies operating in Spain are as follows:

	Days	
Concept	**2023**	**2022**
Average supplier payment period	64	69
Ratio of transactions paid	63	69
Ratio of transactions outstanding	70	68

	EUR thousand	
Concept	**2023**	**2022**
Total payments made	686,721	537,172
Total payments outstanding	103,553	75,677

Invoices paid within the legally stipulated deadline (60 days):	2023	2022
Monetary value	322,710	185,557
Number of invoices	43,017	68,871
Monetary value/total	47%	35%
Number of invoices/total	43%	48%

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

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

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

The monetary value is calculated by dividing the amount paid within the legally stipulated deadline in the late payment regulations by the total amount paid.

The number of invoices is calculated by dividing the invoices paid within the legally stipulated deadline in the late payment regulations by the total number of invoices paid.

The companies which, individually, exceed the statutory limit of outstanding transactions are taking measures to comply, improving payment terms offered to suppliers and taking action on internal approval processes.

In addition, the Group has entered into reverse factoring and similar arrangements with several banks to facilitate early payment to suppliers (see Note 2.6.16).

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

Director remuneration

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 Parent.

On the same date, the Company's Board of Directors, in accordance with article 541 of the Corporate Enterprises Act, 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 the 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 3.22).

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 Group in 2023.

4.9 Fees paid to auditors

Fees for financial audit and other services provided by the auditors, or by other companies related to the auditors, to the companies comprising the Group's continuing operations in 2023 and 2022 were as follows:

	EUR thousand					
	Principal auditor		Other auditors		Total	
	2023	2022	2023	2022	2023	2022
Audit of financial statements	1,217	1,122	618	608	1,835	1,730
Other assurance services	198	182	111	112	309	294
Total audit and related services	**1,415**	**1,304**	**729**	**720**	**2,144**	**2,024**
Tax advisory services	23	28	3	24	26	52
Other services	24	28	17	11	41	39
Total professional services	**47**	**56**	**20**	**35**	**67**	**91**
Total	**1,462**	**1,360**	**749**	**755**	**2,211**	**2,115**

The figures include fees of companies reclassified as discontinued operations

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

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

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

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

5 EVENTS AFTER THE REPORTING PERIOD

No significant event occurred after the date of authorisation for issue of these consolidated financial statements the year ended 31 December 2023.

ADDITIONAL NOTE FOR ENGLISH TRASLATION

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

APPENDIX I

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation as at 31 December 2023

Subsidiaries (fully consolidated)

	COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD
	Construction		**Construction**
(1)	Agrupación Guinovart Obras y Servicios Hispania, S.A.	n.a.	CAC Vero I, LLC
(1)	Asfaltos y Construcciones Elsan, S.A.	(2)	Community Asphalt Corp.
(1)	Construcciones Adolfo Sobrino S.A.	n.a.	Consorcio Aura - OHL, S.A.
n.a.	Ecoventia, S.L.U.	(1)	Consorcio OHL AIA S.A.
(1)	EYM Guinovart, S.A.	n.a.	Consorcio Valko - OHL - Besalco S.A.
n.a.	Guinovart Rail, S.A.	(2)	Construcciones Colombianas OHL, S.A.S.
(1)	Obrascón Huarte Lain, Construcción Internacional, S.L.	(1)	Constructora de Proyectos Viales de México, S.A. de C.V.
(1)	Pacadar, S.A.U.	n.a.	Constructora e Inmobiliaria Huarte Ltda.
(1)	S.A. Trabajos y Obras	(2)	Constructora TP, S.A.C.
		(1)	EYM Arabia, LLC
		n.a.	Empresa Constructora Huarte San José, Ltda.
		n.a.	EYM México Instalaciones, S.A. DE C.V.
		(1)	EYM Norway, AS
		(2)	Judlau Contracting, Inc.
		(1)	**OHL Andina, S.A.**
		(1)	OHL Arabia LLC
		(2)	OHL Arellano Construction Company
		(1)	OHL Austral, S.A.
		(2)	OHLA Building, Inc.
		(1)	OHLA Central Europe, a.s.
		(2)	OHL Colombia, S.A.S.
		n.a.	OHL Construction Canada, Inc.
		n.a.	OHL Construction Pacific PTY LTD
		(2)	OHL Health Montreal (Holding) Inc. (**)
		(2)	OHL Health Montreal (Partner) Inc. (**)

APPENDIX I

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation as at 31 December 2023

Subsidiaries (fully consolidated)

	COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD
		(2)	OHL Infraestructuras S.A.S.
		(1)	OHL Ireland Construction and Engineering Limited
		(1)	OHLA-OHMG JV Limited
		(2)	OHL Sverige AB
		n.a.	OHL Uruguay, S.A.
		(2)	OHLA USA, Inc.
		n.a.	OHL ZS MO, S.R.L.
		n.a.	OHL ZS Slovakia, a.s.
		(1)	OHLA ZS, a.s.
		n.a.	Pacadar Panamá, S.A.
		(2)	Pacadar UK, Ltd
		(1)	Premol, S.A. de C.V.
		n.a.	Sawgrass Rock Quarry Inc.
		(1)	Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.
		(1)	Tomi Remont, a.s.
		n.a.	Vacua, S.A.
	Industrial		**Industrial**
(1)	Chemtrol Proyectos y Sistemas, S.L.	n.a.	Chepro México, S.A. de C.V.
n.a.	Ecolaire España, S.A.	(1)	Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.
(1)	OHL Industrial, S.L.	n.a.	Consorcio Instalaciones Mecánicas Hospital Dr. Gustavo Fricke SpA.
n.a.	OHLA Energy, S.L	(1)	Estación Rebombeo Degollado, S.A.P.I. de C.V.
		(1)	Hidro Parsifal, S.A. de C.V.
		(1)	Hidrógeno Cadereyta, S.A.P.I. de C.V.
		(1)	IEPI México, S.A. de C.V.
		(2)	OHL Industrial and Partners LLC
		(1)	OHL Industrial Chile, S.A.
		(1)	OHL Industrial Colombia, S.A.S.

APPENDIX I

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation as at 31 December 2023

Subsidiaries (fully consolidated)

	COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD
		n.a.	OHL Industrial Delegación Guatemala, S.A.
		n.a.	OHL Industrial Honduras S. de R.L.
		n.a.	OHL Industrial Perú, S.A.C.
		n.a.	Sthim Maquinaria de México, S.A. de C.V.
	Services (*)		**Services (*)**
n.a.	Acurat iniciativa social, S.L., Sociedad Unipersonal	n.a.	Ingesan Chile, SpA
(1)	Gizatzen, S.A.	n.a.	Ingesan Servicios Administrativos México S.A. de C.V.
n.a.	Inizia Networks, S.L.	(1)	Ingesan Servicios México S.A. de C.V.
(1)	OHL Servicios-Ingesan, S.A.U.	n.a.	Ingesan Servicios Profesionales México S.A. de C.V.
	Other		**Other**
(1)	Avalora Tecnologías de la Información, S.A.	n.a.	Avalora América S.A.C.
n.a.	Denia Senior Living, S.L.	n.a.	Avalora Chile Spa
n.a.	Inversiones Biobio, SpA	(1)	Huaribe S.A. de C.V.
n.a.	La Manga Senior Living, S.L.	n.a.	OHL Holding, S.à.r.l.
(1)	Marina Urola, S.A.	n.a.	OHL Infrastructure, Inc.
n.a.	OHL Operaciones, S.A.	n.a.	OHL Iniciativas, S.à.r.l.
n.a.	Obrascon Huarte Lain, Desarrollos, S.A.	(1)	OHLDM, S.A. de C.V.
(1)	OHLA Concesiones, S.L.	(1)	Playa 4 - 5 Mayakoba, S.A. de C.V.
n.a.	OHLA Gestión Activos, S.L.	(1)	Sociedad Concesionaria Centro de Justicia de Santiago, S.A.
		(1)	Sociedad Concesionaria Hospitales Red Biobio, S.A.

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

APPENDIX I

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant companies included in the scope of consolidation as at 31 December 2023

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

	COMPANIES WITH REGISTERED OFFICE IN SPAIN		COMPANIES WITH REGISTERED OFFICE ABROAD
	Construction		**Construction**
(2)	Nuevo Hospital de Burgos, S.A.	(2)	Consorcio Conpax OHL VALKO, S.A.
n.a.	Rebuilding Agente Rehabilitador, S.L.	(1)	Constructora Vespucio Oriente, S.A.
		(2)	Health Montreal Collective CJV L.P.
		(2)	Health Montreal Collective Limited Partnership (**)
		(2)	NCC - OHL Lund-Arlöv, fyra spar Handelsbolag
		(2)	Obalovna Boskovice, s.r.o.
		n.a.	OHL Construction Canada and FCC Canada Limited Partnership
		n.a.	Prestadora de Servicios PLSV, S.A. de C.V.
		n.a.	Regena spol s.r.o.
		(2)	Rhatigan OHL Limited
		n.a.	Servicios Administrativos TMT, S.A. de C.V.
		n.a.	OHL Townlink JV Limited
	Industrial		**Industrial**
		(1)	Proyecto CCC Empalme I, S.A.P.I. de C.V.
		(2)	Refinería Madero Tamaulipas, S.A.P.I. de C.V.
	Services (*)		**Services (*)**
n.a.	Servicios de Mantenimiento Prevencor, S.L.		
	Other		**Other**
n.a.	Alse Park, S.L.	n.a.	57 Whitehall Holdings Limited
n.a.	Concesionaria Ruta Bogotá Norte, S.A.S.		
(2)	Nova Dársena Esportiva de Bara, S.A.		
n.a.	Parking Niño Jesús-Retiro, S.A.		
n.a.	Proyecto Canalejas Group, S.L.		

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

APPENDIX II

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group as at 31 December 2023

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Construcción		
Agrupación Guinovart Obras y Servicios Hispania, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Construction
Asfaltos y Construcciones Elsan, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Infrastructure and urban services
CAC Vero I, LLC	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
Community Asphalt Corp.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
Consorcio Conpax OHL VALKO, S.A.	Palacio Riesco N° 4583, Comuna de Huechuraba, Santiago de Chile	Construction
Consorcio OHL AIA S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
Consorcio Valko - OHL - Besalco S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
Construcciones Adolfo Sobrino S.A.	Gran Vía Don Diego López De Haro 33 - 4ª Planta 48009 Bilbao	Construction
Construcciones Colombianas OHL, S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower.Bogotá (Colombia)	Construction
Constructora de Proyectos Viales de México, S.A. de C.V.	Avenida Ejercito Nacional No.453, Piso 6, Colonia Granada, Alcaldía Miguel Hidalgo, Ciudad de México, C.P. 11520	Construction
Constructora e Inmobiliaria Huarte Ltda.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
Constructora TP, S.A.C.	Av. 28 de Julio, nº 150, piso 7, Miraflores - Lima - Perú	Construction
Constructora Vespucio Oriente, S.A.	Vitacura 4380 oficina 61, 7630275 Santiago de Chile	Construction
EYM Arabia, LLC	Level 4 Al Andalus Crown Tower Office 406, Madinah Road 23442	Construction
Ecoventia, S.L.U.	Pº de la Castellana nº 259 D 28046 Madrid	Construction
Empresa Constructora Huarte San José, Ltda.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
EYM Guinovart, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Construction
EYM México Instalaciones, S.A. DE C.V.	Avenida Ejercito Nacional No.453, Piso 6, Colonia Granada, Alcaldía Miguel Hidalgo, Ciudad de México, C.P. 11520	Construction
EYM Norway, AS	Lilleakerveien 8, 0283 Lysaker	Construction
Guinovart Rail, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Construction
Health Montreal Collective CJV L.P.	1031 rue Saint-Denis, Montreal - Canada	Construction
Judlau Contracting, Inc.	26-15 Ulmer Street, College Point, NY 11354. USA	Construction
NCC - OHL Lund-Arlöv, fyra spar Handelsbolag	170 80 Solna-Stockholm - Suecia	Construction
Obalovna Boskovice, s.r.o.	Rovná 2146, 680 01 Boskovice. Brno	Construcción

APPENDIX II

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group as at 31 December 2023

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Obrascón Huarte Lain, Construcción Internacional, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Holding company
OHL Andina, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
OHL Arabia LLC	6th Floor Al Andalus Crown Tower, Office 606 7559 Al-Madinah Al-Munawarah Street Al-Faysaliyyah Jeddah 23442	Construction and maintenance
OHL Arellano Construction Company	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
OHL Austral, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
OHL Colombia, S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower Bogotá (Colombia)	Construction
OHL Construction Canada and FCC Canada Limited Partnership	5945 Airport Road, N.144, Mississagua. Ontario. Canada. L4V1R9	Construction
OHL Construction Canada, Inc.	465 St. Jean, Unit 603, Montreal, QC, H2Y 2R6	Construction
OHL Construction Pacific PTY LTD	Level 3 | 349 Coronation Drive | Milton (Qld) 4064	Construction
OHL Finance, S.á.r.l.	16, Rue Eugène Ruppert L-2453 Luxembourg	Construction
OHL Infraestructuras S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower Bogotá (Colombia)	Construction
OHL Ireland Construction and Engineering Limited	Unit 15 Block 2, Northwood Court, Northwood Crescent, Santry, Dublin, Ireland	Construction
OHL Sverige AB	Drottninggatan 99, 113 60 Stockholm (Sweden)	Construction
OHL Townlink JV Limited	Unit 15, Second floor, Block2, Northwood Court, Santry, Dublin 9	Construction
OHL Uruguay, S.A.	C/ Rio Negro, 1354, piso 3, 11105 Montevideo, Uruguay	Construction
OHL ZS MO, S.R.L.	65, Stefan cel Mare blvd, of 806, Chisinau, MD-2012, Moldavia	Construction
OHLA Brasil, Ltda.	Rua Sao Tome, n° 86, Conj. 32, 3° andar, Edificio Vila Olimpia Corporate Plaza, Vila Olimpia, Sao Paulo	Construction
OHLA Building, Inc.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
OHLA Central Europe, a.s.	C/ Olsanska, 2643/1A, 13000 Praga - República Checa	Construction
OHLA USA, Inc.	26-15 Ulmer Street, College Point, NY 11354. USA	Construction
OHLA Systems & Electric, LLC	26-15 Ulmer Street, College Point, NY 11354. USA	Construction
OHLA ZS Slovakia, a.s.	Tuhovská 29/ Bratislava	Construction
OHLA ZS, a.s.	Tuřanka 1554/115b,627 00 Brno-Slatina	Construction
OHLA-OHMG JV Limited	Unit 15 Block 2, Northwood Court, Northwood Crescent, Santry, Dublin, Ireland	Construction

APPENDIX II

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group as at 31 December 2023

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
Pacadar Panamá, S.A.	Edificio Capital Plaza, Piso 8, Avenida Costa del Este y Avenida Roberto Motta, Costa del Este, Panamá City	Construction
Pacadar U.K. Limited	1 Chamberlain Square CS Birmingham B3 3AX	Construction
Pacadar, S.A.U.	Pº de la Castellana nº 259 D 28046 Madrid	Construction
Premol, S.A. de C.V.	Avenida Ejercito Nacional No.453, Piso 6, Colonia Granada, Alcaldía Miguel Hidalgo, Ciudad de México, C.P. 11520	Construction
Rebuilding Agente Rehabilitador, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Building renovation and consulting
Rhatigan OHL Limited	Earlsfort Terrace, Dublin (Ireland)	Construction
S.A. Trabajos y Obras	Pº de la Castellana nº 259 D 28046 Madrid	Construction
Sawgrass Rock Quarry Inc.	9675 N.W. 117 th Avenue, Suite 108, Miami, FL, 33178 USA	Construction
Servicios Administrativos TMT, S.A. de C.V.	Avda Pº de la Reforma No.383, Piso 8, Colonia Cuauhtemoc, Alcaldia Cuauhtemoc, Mexico, Ciudad de México, C.P.06500	Construction
Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.	Avenida Ejercito Nacional No.453, Piso 6, Colonia Granada, Alcaldía Miguel Hidalgo, Ciudad de México, C.P. 11520	Construction
Tomi Remont, a.s.	C/ Premyslovka c.p. 2514/4, PSC 796 01 (Prostejov - República Checa)	Construction
Vacua, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Construction
Industrial		
Chemtrol Proyectos y Sistemas, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Installation and maintenance of security and fire protection systems
Chepro México, S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Installation and maintenance of security and fire protection systems
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Industrial engineering and maintenance at industrial plants
Ecolaire España, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Design and performance of industrial engineering projects
Estación Rebombeo Degollado, S.A.P.I. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Industrial engineering for a repumping station
Hidro Parsifal, S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Civil engineering construction work
Hidrógeno Cadereyta, S.A.P.I. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Civil engineering construction work
IEPI México, S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Industrial engineering and maintenance at industrial plants
OHL Industrial and Partners LLC	Muscat, Governorate 112 Omán	Industrial engineering and maintenance at industrial plants

APPENDIX II

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group as at 31 December 2023

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
OHL Industrial Chile, S.A.	C/ Rosario Norte 407, Oficina 1203. Santiago Chile	Engineering works, technical advisory services, water treatment and
OHL Industrial Colombia, S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower.Bogotá (Colombia)	Industrial engineering and maintenance at industrial plants
OHL Industrial Delegación Guatemala, S.A.	13 calle 3-40 zona 10 Edificio Atlantis Nivel 13 oficina 1304	Industrial engineering and maintenance at industrial plants
OHL Industrial Perú, S.A.C.	Av. 28 de Julio, nº 150, piso 8, Miraflores - Lima - Perú	Construction of industrial mining and cement, oil and gas, and
OHL Industrial, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Industrial engineering and maintenance at industrial plants
OHLA Energy, S.L	Pº de la Castellana nº 259 D 28046 Madrid	Development, promotion and construction of energy projects
Proyecto CCC Empalme I, S.A.P.I. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Development of a fossil-fuel power plant
Refinería Madero Tamaulipas, S.A.P.I. de C.V.	Juan Racine No. 112, Piso 10. Colonia Los Morales. C.P. 11510 México DF	Industrial engineering for a refinery
Sthim Maquinaria de México, S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Management consultancy services
Others		
ALSE Park, S.L.	C/ Alcalá nº 7b, 28014 Madrid	Car park concession and operation
Avalora América S.A.C.	Av. 28 de Julio 753 of 901 Miraflores - Lima - Perú	IT services
Avalora Chile Spa.	Av. Padre Mariano 82, oficina 1402, Providencia. Santiago de Chile.	IT services
Avalora Tecnologías de la Información, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	IT services
Concesionaria Ruta Bogotá Norte S.A.S.	Cra. 17 Nº 93-09 Piso 8 Edificio Ecotower.Bogotá - Colombia	Finance, studies and management
Denia Senior Living, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Construction and development of real estate projects
Health Montreal Collective Limited Partnership	1000 rue Saint-Denis, Montreal - Canada	Concession, construction and operation
Huaribe S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Real estate project development
Inversiones Biobio, SpA	C/ Cerro El Plomo, nº 5755 Piso 12. Las Condes. Santiago de Chile	Holding company
Inversiones en Infraestructuras Chile Spa	C/ Cerro El Plomo, nº 5755 Piso 12. Las Condes. Santiago de Chile	Holding company
La Manga Senior Living, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Construction and development of real estate projects
Marina Urola, S.A.	Barrio Santiago - Puerto deportivo - Zumaia - Guipúzcoa	Concession and operation of marina (Zumaia - Guipúzcoa)
Nova Dársena Esportiva de Bara, S.A.	C/ Puerto deportivo Roda de Bará. Edificio Capitania, Bajos. Pº Marítimo s/n, 43883 Roda de Bara. Tarragona	Concession and operation of Roda de Bará marina (Tarragona)
Nuevo Hospital de Burgos, S.A.	C/ Islas Baleares, s/n 09006 Burgos	Concession, construction and operation
Obrascon Huarte Lain, Desarrollos, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Real estate project development
OHL Health Montreal Holding Inc.	465 St. Jean, Unit 603, Montreal, QC, H2Y 2R6	Holding company

APPENDIX II

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Identification of the most significant companies composing the consolidated Group as at 31 December 2023

COMPANY	REGISTERED OFFICE	MAIN LINE OF BUSINESS
OHL Health Montreal Partner Inc.	465 St. Jean, Unit 603, Montreal, QC, H2Y 2R6	Holding company
OHL Holding, S.à.r.l.	16, Rue Eugene Ruppert L-2453 Luxembourg	Holding company
OHL Infrastructure, Inc.	26-15 Ulmer Street, College Point, NY 11354. USA	Financial studies
OHL Iniciativas, S.à.r.l.	16, Rue Eugene Ruppert L-2453 Luxembourg	Holding company
OHL Operaciones, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Holding company
OHLA Concesiones, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Development of Concessions
OHLA Gestión Activos, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Construction and development of real estate projects
OHLDM, S.A. de C.V.	Av. Ejercito Nacional 453, Piso 6, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Real estate project development
Parking Niño Jesús-Retiro, S.A.	Pº de la Castellana nº 259 D 28046 Madrid	Concession, construction, management and operation
Playa 4 - 5 Mayakoba, S.A. de C.V.	Ctra. Federal Chetumal-Puerto Juárez Km. 298, Playa del Carmen, Solidaridad, Quintana Roo, México C.P. 77710	Operation of hotels and leisure centres
Portu Garbia, S.L.	Av. Iparragirre, nº 119, 49840 Santurce - Vizcaya	Construction and development of real estate projects
Proyecto Canalejas Group, S.L.	Pº de la Castellana nº 259 D 28046 Madrid	Operation of hotels and leisure centres
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	Av Manuel Rodriguez Sur 2281, Santiago	Concession, construction and operation
Sociedad Concesionaria Hospitales Red Biobio, S.A.	C/ Cerro El Plomo, nº 5855 Piso 15. Las Condes. Santiago de Chile	Concession, construction and operation
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	C/ Cerro El Plomo, nº 5755 Piso 12. Las Condes. Santiago de Chile	Concession, construction and operation
Services (*)		
Acurat iniciativa social, S.L., Sociedad Unipersonal	Edificio Atenas, C. Empresarial "CityParc" sito en Carretera d L´Hospitalet 147 y 149. 08940 Cornellá de Llobregat (Barcelona)	Building and plant facility management
Gizatzen, S.A.	Gran Vía Don Diego López De Haro 33 - 5ª Planta 48009 Bilbao	Building and plant facility management
Ingesan Chile, SpA	C/ Los Militares 6191 Oficina 83. Las Condes. Santiago de Chile	Building and plant facility management
Ingesan Servicios México S.A. de C.V.	Av. Ejercito Nacional 453, Piso 5, Col. Granada, Alcaldia Miguel Hidalgo, Cp. 11520, Ciudad De México	Building and plant facility management
Inizia Networks, S.L.	C/ Antigua Senda Senent, 8 46023 Valencia	Bio-sanitary waste treatment plant
OHL Servicios-Ingesan, S.A.U.	Pº de la Castellana nº 259 D 28046 Madrid	Building and plant facility management
Servicios de Mantenimiento Prevencor, S.L.	Avenida de las Cortes Valencianas 58. Edif. Sorolla Center, oficina 409. 46015 Valencia	Building and plant facility management

(*) Actividad interrumpida

APPENDIX III

OBRASCÓN HUARTE LAIN S.A. AND SUBSIDIARIES

Detail of the equity and net cost of investment in the main companies composing the consolidated Group at 31 December 2023

COMPANY	Direct	Indirect	Total	Capital	Receivables on uncalled capital	Reserves	2023 profit/(loss)	Interim dividend	Total capital and reserves	Valuation adjustments	Total equity	Profit participating loan	Total equity + profit participating loan	Underlying carrying amount	Net cost of the investment
Fully consolidated companies															
Acurat iniciativa social, S.L., Sociedad Unipersonal (*)	-	100.00	100.00	3	-	122	8	-	133	-	133	-	133	133	3
Agrupación Guinovart Obras y Servicios Hispania, S.A.	-	100.00	100.00	30,050	-	25,670	5,755	-	61,475	-	61,475	-	61,475	61,475	70,180
Asfaltos y Construcciones Elsan, S.A.	-	100.00	100.00	7,603	-	4,742	1,698	-	14,043	-	14,043	-	14,043	14,043	10,739
Avalora América S.A.C.	-	100.00	100.00	518	-	(489)	4	-	33	-	33	-	33	33	14
Avalora Chile Spa.	-	100.00	100.00	335	-	213	326	-	874	-	874	-	874	874	381
Avalora Tecnologías de la Información, S.A.	-	100.00	100.00	455	-	5,405	124	-	5,984	-	5,984	-	5,984	5,984	5,934
CAC Vero I, LLC	-	100.00	100.00	3,167	-	838	-	-	4,005	-	4,005	-	4,005	4,005	3,167
Chemtrol Proyectos y Sistemas, S.L.	-	100.00	100.00	630	-	1,584	(115)	-	2,099	-	2,099	-	2,099	2,099	2,093
Chepro México, S.A. de C.V.	-	100.00	100.00	5	-	(882)	(240)	-	(1,117)	-	(1,117)	-	(1.117)	(1,117)	-
Cogeneración Complejo Pajaritos, S.A.P.I. de C.V.	-	50.00	50.00	7	-	1,123	167	-	1,297	-	1,297	-	1.297	649	-
Community Asphalt Corp.	-	100.00	100.00	2	-	39,413	4,371	-	43,786	-	43,786	-	43,786	43.786	201.697
Consorcio OHL AIA S.A.	-	100.00	100.00	205	-	389	(402)	-	192	-	192	-	192	192	205
Consorcio Valko - OHL - Besalco S.A.	-	39.50	39.50	2,832	-	1,313	1,475	-	5,620	-	5,620	-	5,620	2,220	604
Construcciones Adolfo Sobrino S.A.	-	100.00	100.00	1,520	-	863	743	-	3,126	-	3,126	-	3,126	3,126	7,176
Construcciones Colombianas OHL, S.A.S.	-	100.00	100.00	984	-	(7,891)	(457)	-	(7,364)	-	(7,364)	-	(7,364)	(7,364)	-
Constructora de Proyectos Viales de México, S.A. de C.V.	-	100.00	100.00	2,673	-	121,058	31,006	-	154,737	-	154,737	-	154,737	154,737	120,509
Constructora e Inmobiliaria Huarte Ltda.	89.90	10.10	100.00	534	-	(1,027)	(532)	-	(1,025)	-	(1,025)	-	(1,025)	(1,025)	2,187
Constructora TP, S.A.C.	-	100.00	100.00	2,442	-	165	27	-	2,634	-	2,634	-	2,634	2,634	3,163
Denia Senior Living, S.L.	-	100.00	100.00	3	-	3,327	(201)	-	3,129	-	3,129	-	3,129	3,129	3,331
EYM Arabia, LLC	-	100.00	100.00	121	-	4,271	(1,627)	-	2,765	-	2,765	-	2,765	2,765	102
Ecolaire España, S.A.	-	100.00	100.00	905	-	4,528	402	-	5,835	-	5,835	-	5,835	5,835	6,059
Ecoventia, S.L.U.	-	100.00	100.00	150	-	333	(17)	-	466	-	466	-	466	466	893
Empresa Constructora Huarte San José, Ltda.	95.00	5.00	100.00	18	(17)	170	(2)	-	169	-	169	-	169	169	9
Estación Rebombeo Degollado, S.A.P.I. de C.V.	-	50.00	50.00	1	-	(4,565)	1,002	-	(3,562)	-	(3,562)	-	(3,562)	(1,781)	-
EYM Guinovart, S.A.	-	100.00	100.00	601	-	12,613	(271)	-	12,943	-	12,943	-	12,943	12,943	4,490

APPENDIX III

OBRASCÓN HUARTE LAIN S.A. AND SUBSIDIARIES

Detail of the equity and net cost of investment in the main companies composing the consolidated Group at 31 December 2023

COMPANY		Direct	Indirect	Total	Capital	Receivables on uncalled capital	Reserves	2023 profit/ (loss)	Interim dividend	Total capital and reserves	Valuation adjustments	Total equity	Profit participating loan	Total equity + profit participating loan	Underlying carrying amount	Net cost of the investment
EYM Norway, AS		-	100.00	100.00	3	-	69	(48)	-	24	-	24	-	24	24	3
Gizatzen, S.A.	(*)	-	100.00	100.00	60	-	(3,448)	(328)	-	(3,716)	-	(3,716)	-	(3,716)	(3,716)	-
Guinovart Rail, S.A.		-	100.00	100.00	100	-	(23)	30	-	107	-	107	500	607	607	600
Hidro Parsifal, S.A. de C.V.		-	79.66	79.66	41	-	(628)	21	-	(566)	-	(566)	-	(566)	(451)	-
Hidrógeno Cadereyta, S.A.P.I. de C.V.		-	53.90	53.90	1	-	(3,780)	2,262	-	(1,517)	-	(1,517)	-	(1,517)	(818)	-
Huaribe S.A. de C.V.		-	100.00	100.00	87,620	-	(77,779)	(1,457)	-	8,384	-	8,384	-	8,384	8,384	50,868
IEPI México, S.A. DE C.V.		-	100.00	100.00	1,224	-	15,160	(122)	-	16,262	-	16,262	-	16,262	16,262	383
Ingesan Chile, SpA	(*)	-	100.00	100.00	21	(21)	(12)	-	-	(12)	-	(12)	-	(12)	(12)	1
Ingesan Servicios México S.A. de C.V.	(*)	-	100.00	100.00	2,181	-	(8,494)	(1,614)	-	(7,927)	-	(7,927)	-	(7,927)	(7,927)	-
Inizia Networks, S.L.	(*)	-	51.00	51.00	5	-	(125)	137	-	17	-	17	-	17	9	350
Inversiones Biobio, SpA		-	100.00	100.00	10,270	(463)	(760)	(1.188)	-	7,859	-	7,859	-	7,859	7,859	9,442
Inversiones en Infraestructuras Chile Spa		-	100.00	100.00	1	(1)	-	(7)	-	(7)	-	(7)	-	(7)	(7)	1
Judlau Contracting, Inc.		-	100.00	100.00	24	-	146,773	15,054	-	161,851	-	161,851	-	161,851	161,851	165,090
La Manga Senior Living, S.L.		-	100.00	100.00	3	-	4,548	(535)	-	4,016	-	4,016	-	4,016	4,016	4,551
Marina Urola, S.A.		-	51.00	51.00	503	-	409	206	-	1,118	-	1,118	-	1,118	570	374
Obrascón Huarte Lain, Construcción Internacional, S.L.		-	-	-	42,923	-	643,151	37,768	-	723,842	-	723,842	-	723,842	-	594,181
Obrascón Huarte Lain, Desarrollos, S.A.		-	100.00	100.00	83,339	-	(78,381)	(8,020)	-	(3,062)	-	(3,062)	207,652	204,590	204,590	211,530
OHL Andina, S.A.		99.00	1.00	100.00	2,390	-	38,957	3,089	-	44,436	-	44,436	-	44,436	44,436	3,276
OHL Arabia LLC		-	100,00	100.00	121	-	3,665	(9,633)	-	(5,847)	-	(5,847)	-	(5,847)	(5,847)	2,521
OHL Arellano Construction Company		-	100.00	100.00	1	-	18,853	1,124	-	19,978	-	19,978	-	19,978	19,978	62,762
OHL Austral, S.A.		-	100.00	100.00	10,624	-	16,677	2,397	-	29,698	-	29,698	-	29,698	29,698	4,130
OHL Colombia, S.A.S.		-	100.00	100.00	86	-	(17,479)	1,776	-	(15,617)	-	(15,617)	-	(15,617)	(15,617)	-
OHL Construction Canada, Inc.		-	100.00	100.00	430,942	-	(70,860)	(275)	-	359,807	-	359,807	-	359,807	359,807	-
OHL Construction Pacific PTY LTD		100.00	-	100.00	-	-	(8,151)	4,227	-	(3,924)	-	(3,924)	-	(3,924)	(3,924)	-
OHL Finance, S.á.r.l.		-	100.00	100.00	2,456	-	(3,037)	(85)	-	(666)	-	(666)	-	(666)	(666)	-
OHL Health Montreal (Holding) Inc.		-	100.00	100.00	-	-	(39)	(33)	-	(72)	-	(72)	-	(72)	(72)	-
OHL Health Montreal (Partner) Inc.		-	100.00	100.00	1,539	-	816	1,668	-	4,023	-	4,023	-	4,023	4,023	1,539
OHL Holding, S.à.r.l.		100.00	-	100.00	12	-	681,362	(57,894)	-	623,480	-	623,480	-	623,480	565,644	573,792

APPENDIX III

OBRASCÓN HUARTE LAIN S.A. AND SUBSIDIARIES

Detail of the equity and net cost of investment in the main companies composing the consolidated Group at 31 December 2023

COMPANY		Direct	Indirect	Total	Capital	Receivables on uncalled capital	Reserves	2023 profit/ (loss)	Interim dividend	Total capital and reserves	Valuation adjustments	Total equity	Profit participating loan	Total equity + profit participating loan	Underlying carrying amount	Net cost of the investment
OHL Industrial and Partners LLC		-	100.00	100.00	588	(176)	(33,624)	(2,123)	-	(35,335)	-	(35,335)	-	(35,335)	(35,335)	-
OHL Industrial Chile, S.A.		0.00	100.00	100.00	36,195	-	(28,875)	1,117	-	8,437	-	8,437	-	8,437	8,437	7,196
OHL Industrial Colombia, S.A.S.		-	100.00	100.00	420	-	1,008	(705)	-	723	-	723	-	723	723	723
OHL Industrial Delegación Guatemala, S.A.		-	100.00	100.00	51,267	-	(50,856)	-	-	411	-	411	-	411	411	409
OHL Industrial Perú, S.A.C.		-	100.00	100.00	3,884	-	(2,416)	60	-	1,528	-	1,528	-	1,528	1,528	1,529
OHL Industrial, S.L.		-	100.00	100.00	47,694	-	(49,463)	21,519	-	19,750	-	19,750	41,000	60,750	60,750	61,186
OHL Infraestructuras S.A.S.		1.00	99.00	100.00	66	-	(578)	537	-	25	-	25	-	25	25	89
OHL Infrastructure, Inc.		-	100.00	100.00	-	-	(110)	251	-	141	-	141	-	141	141	-
OHL Iniciativas, S.à.r.l.		-	100.00	100.00	12	-	681,366	(57,892)	-	623,486	-	623,486	-	623,486	623,486	623,619
OHL Ireland Construction and Engineering Limited		-	100.00	100.00	-	-	1,725	1,738	-	3,463	-	3,463	-	3,463	3,463	-
OHL Operaciones, S.A.		-	100.00	100.00	60	-	501,810	(13,639)	-	488,231	(44.,93)	444,038	-	444,038	444,038	623,607
OHL Servicios-Ingesan, S.A.U.	(*)	-	100.00	100.00	790	-	16,804	(1,255)	-	16,339	-	16,339	-	16,339	16,339	17,472
OHL Sverige AB		-	100.00	100.00	5	-	5,073	(176)	-	4,902	-	4,902	-	4,902	4,902	8,929
OHL Uruguay, S.A.		100.00	-	100.00	-	-	(1,437)	(322)	-	(1,759)	-	(1,759)	-	(1,759)	(1,759)	-
OHL ZS MO, S.R.L.		-	100.00	100.00	-	-	10	(426)	-	(416)	-	(416)	-	(416)	(416)	-
OHLA Brasil, Ltda.		-	100.00	100.00	560	(219)	-	(309)	-	32	-	32	-	32	32	349
OHLA Building, Inc.		-	100.00	100.00	1	-	7,049	(1,154)	-	5,896	-	5,896	-	5,896	5,896	47,742
OHLA Central Europe, a.s.		-	100.00	100.00	20,263	-	37,255	16,183	-	73,701	-	73,701	-	73,701	73,701	81,344
OHLA Concesiones, S.L.		-	100.00	100.00	3,562	-	22,321	146	-	26,029	-	26,029	-	26,029	26,029	27,617
OHLA Energy, S.L		-	100.00	100.00	3	-	753	(148)	-	608	-	608	-	608	608	761
OHLA Gestión Activos, S.L.		-	100.00	100.00	3	-	224	(3)	-	224	-	224	-	224	224	228
OHLA USA, Inc.		-	100.00	100.00	6,787	-	495,665	16,583	-	519,035	-	519,035	-	519,035	519,035	520,640
OHLA Systems & Electric, LLC		-	100.00	100.00	-	-	-	(389)	-	(389)	-	(389)	-	(389)	(389)	-
OHLA ZS, a.s.		-	100.00	100.00	54,454	-	13,630	14,090	-	82,174	-	82,174	-	82,174	82,174	75,792
OHLA ZS Slovakia, a.s.		-	100.00	100.00	12,368	-	(11,443)	(91)	-	834	-	834	-	834	834	-
OHLA-OHMG JV Limited		-	60.00	60.00	-	-	1,619	1,324	-	2,943	-	2,943	-	2,943	1,766	-
OHLDM, S.A. de C.V.		-	100.00	100.00	169,578	-	(118,380)	(297)	-	50,901	-	50,901	-	50,901	50,901	2,179
Pacadar, S.A.U.		-	100.00	100.00	1,350	-	(34,459)	(5,464)	-	(38,573)	-	(38,573)	39,849	1,276	1,276	76,014

APPENDIX III

OBRASCÓN HUARTE LAIN S.A. AND SUBSIDIARIES

Detail of the equity and net cost of investment in the main companies composing the consolidated Group at 31 December 2023

COMPANY	Direct	Indirect	Total	Capital	Receivables on uncalled capital	Reserves	2023 profit/ (loss)	Interim dividend	Total capital and reserves	Valuation adjustments	Total equity	Profit participating loan	Total equity + profit participating loan	Underlying carrying amount	Net cost of the investment
Pacadar Panamá, S.A.	-	100.00	100.00	10	-	1,452	(77)	-	1,385	-	1,385	-	1,385	1,385	8
Pacadar UK, Limited	-	100.00	100.00	-	-	6,852	9,367	-	16,219	-	16,219	-	1,219	16,219	-
Playa 4 - 5 Mayakoba, S.A. de C.V.	-	100.00	100.00	2,258	-	(10,736)	1,074	-	(7,404)	-	(7,404)	-	(7,404)	(7,404)	83
Premol, S.A. de C.V.	-	100.00	100.00	56	-	4,529	253	(2,460)	2,378	-	2,378	-	2,378	2,378	57
S.A. Trabajos y Obras	-	100.00	100.00	1,854	-	10,440	(30)	-	12,264	-	12,264	-	12,264	12,264	15,256
Sawgrass Rock Quarry Inc.	-	100.00	100.00	1	-	3,511	(14)	-	3,498	-	3,498	-	3,498	3,498	10,407
Sociedad Concesionaria Centro de Justicia de Santiago, S.A.	-	100.00	100.00	10,693	-	566	2,955	-	14,214	-	14,214	-	14,214	14,214	14,376
Sociedad Concesionaria Hospitales Red Biobio, S.A.	51.00	49.00	100.00	35,945	-	(142)	847	-	36,650	-	36,650	-	36,650	36,650	35,945
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	51.00	49.00	100.00	21,567	(13,454)	-	(45)	-	8,068	-	8,068	-	8,068	8,068	9,338
Sociedad de Obras Civiles e Infraestructuras Viales, S.A. de C.V.	-	100.00	100.00	21,101	-	(21,043)	-	-	58	-	58	-	58	58	52
Sthim Maquinaria de México, S.A. de C.V.	-	100.00	100.00	3	(3)	(317)	44	-	(273)	-	(273)	-	(273)	(273)	-
Tomi Remont, a.s.	-	100.00	100.00	2,002	-	11.190	787	-	13,979	-	13,979	-	13,979	13,979	7,685
Vacua, S.A.	100.00	-	100.00	11,779	-	(11.297)	(1)	-	481	-	481	-	481	481	7,685
Companies accounted for using the equity method															
Joint ventures															
Concesionaria Ruta Bogotá Norte S.A.S.	25.00	-	25.00	504	-	2,273	(9,151)	-	(6,374)	-	(6,374)	-	(6,374)	(1,594)	121
Consorcio Conpax OHL Valko, S.A.	-	49.00	49.00	1,027	-	294	54	-	1,375	-	1,375	-	1,375	674	503
Constructora Vespucio Oriente, S.A.	-	50.00	50.00	10	-	2,281	(17)	-	2,274	-	2,274	-	2,274	1,137	1,146
Health Montreal Collective CJV L.P.	-	50.00	50.00	548,679	-	(567,150)	(4,573)	-	(23,044)	-	(23,044)	-	(23,044)	(11,522)	274,339
NCC - OHL Lund-Arlöv, fyra spar Handelsbolag	-	50.00	50.00	-	-	9,574	7,167	-	16,741	-	16,741	-	16,741	8,370	-
Nova Dársena Esportiva de Bara, S.A.	-	50.00	50.00	3,731	-	(11,508)	(1,021)	-	(8,798)	-	(8,798)	29,346	20,548	10,274	-
OHL Construction Canada and Fomento de Construcciones y Contratas Canada Limited Partnership	-	50.00	50.00	1	-	(145,289)	-	-	(145,288)	-	(145,288)	139,900	(5,388)	(2,694)	-
OHL Townlink JV Limited	50.00	-	50.00	-	-	611	389	-	1,000	-	1,000	-	1,000	500	-
Prestadora de Servicios PLSV, S.A. de C.V.	-	50.00	50.00	84	(59)	(21)	-	-	4	-	4	-	4	2	43

APPENDIX III

OBRASCÓN HUARTE LAIN S.A. AND SUBSIDIARIES

Detail of the equity and net cost of investment in the main companies composing the consolidated Group at 31 December 2023

COMPANY	Direct	Indirect	Total	Capital	Receivables on uncalled capital	Reserves	2023 profit/ (loss)	Interim dividend	Total capital and reserves	Valuation adjustments	Total equity	Profit participating loan	Total equity + profit participating loan	Underlying carrying amount	Net cost of the investment
Proyecto CCC Empalme I, S.A.P.I. de C.V.	-	50.00	50.00	1	-	(54,127)	30,022	-	(24,104)	-	(24.104)	-	(24,104)	(12,052)	-
Rebuilding Agente Rehabilitador, S.L.	-	50.00	50.00	250	-	(110)	(11)	-	129	-	129	-	129	65	125
Refinería Madero Tamaulipas, S.A.P.I. de C.V.	-	50.00	50.00	1	-	(4,535)	(352)	-	(4,886)	-	(4.886)	-	(4,886)	(2,444)	-
Rhatigan OHL Limited	-	50.00	50.00	-	-	5,137	(903)	-	4,234	-	4.234	-	4,234	2,117	-
Servicios Administrativos TMT, S.A. de C.V.	-	50.00	50.00	-	-	239	(258)	-	(19)	-	(19)	-	(19)	(10)	-
Associates															
Alse Park, S.L.	-	50.00	50.00	4,298	-	(673)	50	-	3,675	-	3.675	-	3,675	1,838	3,543
Health Montreal Collective Limited Partnership	-	25.00	25.00	6,155	-	(8,474)	(4,347)	(7,087)	(13,753)	-	(13.753)	-	(13,753)	(3,438)	1,539
Nuevo Hospital de Burgos, S.A.	-	21.00	21.00	55,033	-	(83,745)	(3,717)	-	(32.429)	-	(32.429)	-	(32,429)	(6,729)	-
Obalovna Boskovice, s.r.o.	-	45.00	45.00	1,541	-	216	82	-	1,839	-	1.839	-	1,839	828	574
Parking Niño Jesús-Retiro, S.A.	30.00	-	30.00	3,651	-	(2)	-	-	3,649	-	3.649	-	3,649	1,095	1,095
Portu Garbia, S.L.	-	25.00	25,00	3	-	396	(40)	-	359	-	359	572	931	233	99
Proyecto Canalejas Group, S.L.	-	50.00	50.00	71,670	-	389,478	-	-	461,148	-	461.148	-	461,148	230,574	206,761
Regena spol s.r.o.	-	50.00	50.00	4	-	466	(1)	-	469	-	469	-	469	234	19
Servicios de Mantenimiento Prevencor, S.L. (*)	-	0.24	0.24	253	-	955	91	-	1,299	-	1.299	-	1,299	3	1

(*) Discontinued operation

APPENDIX IV

OBRASCÓN HUARTE LAIN, S.A. AND SUBSIDIARIES

Detail of the most significant changes in the scope of consolidation as at 31 December 2023

INCLUSIONS

COMPANY	REASON
Inversiones en Infraestructuras Chile Spa	Incorporation
Madrid Infraestructuras, S.L.	Incorporation
OHLA Brasil, Ltda.	Incorporation
Sociedad Concesionaria Instituto Nacional del Cáncer, S.A.	Incorporation

EXCLUSIONS

COMPANY	REASON
OHL UK Construction Limited	Liquidation
Posmar Inversiones 2008, S.L.	Liquidation
Puente Logístico Mediterráneo, S.A.	Liquidation
Tenedora de Participaciones Tecnológicas, S.A.	Liquidation

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

INCLUSIONS

COMPANY	REASON
Portu Garbia, S.L.	Acquisition

EXCLUSIONS

COMPANY	REASON