



TECNICAS REUNIDAS

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Auditors' Report, Financial Statements and Directors' Report for the six-month period ending 30 June 2024.

Individual Interim financial statements for the six-month period ended 30 June 2024

Técnicas Reunidas, S.A. y Sociedades Dependientes

Interim Condensed Consolidated Financial Statements for the six-month period ended 30 June 2024 prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, together with Report on Limited Review”

Translation of a report originally issued in Spanish based on our work performed in accordance with International Standard on Review Engagements 2410. In the event of a discrepancy, the Spanish-language version prevails.

Translation of a report originally issued in Spanish based on our work performed in accordance with International Standard on Review Engagements 2410. In the event of a discrepancy the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Técnicas Reunidas, S.A. at the request of the Board of Directors:

Report on the Consolidated Interim Summary Financial Statements

Introduction

We have performed a limited review of the accompanying condensed interim consolidated financial statements (hereinafter, the interim financial statements) of Técnicas Reunidas, S.A. (hereinafter, the parent company) and its subsidiaries (hereinafter, the group), which comprise the interim balance sheet as at 30 June 2024, and the interim income statement, interim statement of other comprehensive income, interim statement of changes in equity, interim cash flow statement and explanatory Notes, all condensed and consolidated, for the six-month period then ended. The parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial information, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying certain analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in Spain and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2024 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

Emphasis of Matters

We draw attention to Note 2 to the accompanying interim financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with the International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023. Our conclusion is not modified in respect of this matter.

Other information: interim consolidated directors' report

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2024 contains the explanations which the parent company's directors consider appropriate about the significant events that took place in this period and their effect on the interim financial statements presented, of which it does not form part, and about the information required pursuant to Article 15 of Spanish Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2024. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Técnicas Reunidas, S.A. and its subsidiaries.

Other Matters

This report was prepared at the request of the Board of Directors of the parent in relation to the publication of the half-yearly financial report required by Article 100 of Spanish Securities Market and Investment Services Law, approved by Royal Legislative Decree 6/2023 of March 17.

DELOITTE AUDITORES, S.L.
(Formerly Deloitte, S.L.)



Original in Spanish signed by
Antonio Sánchez-Covisa Martín-González
July 30, 2024

This version of the annual accounts is a free translation from the original, which is prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the annual accounts takes precedence over this translation.

TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES

Consolidated Condensed Interim
Financial Statements and Consolidated
Interim Management Report for the
six-month period ended June 30, 2024

**Contents of the consolidated condensed interim financial statements
of Técnicas Reunidas, S.A. and subsidiaries**

Note

	Consolidated condensed interim balance sheet	3
	Consolidated condensed interim income statement	5
	Consolidated condensed interim statement of comprehensive income	6
	Consolidated condensed interim statement of changes in equity	7
	Consolidated condensed interim cash flow statement	9
	Explanatory notes to the consolidated condensed interim financial statements	
1	General information	10
2	Basis of presentation	10
3	Accounting policies	12
4	Estimates	13
5	Financial risk management	13
6	Seasonality of operations	15
7	Information by operating segments	15
8	Income tax	17
9	Tangible fixed assets and other intangible assets	18
10	Rights of use on leased assets	19
11	Financial instruments	20
12	Equity	25
13	Provisions for risks and expenses	27
14	Related-party transactions	27
15	Remuneration and other benefits paid to the Board of Directors of the Parent Company and to senior executives	28
16	Average workforce	29
17	Other information	29
18	Events subsequent to the close	29
	Consolidated interim management report	30

TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS OF JUNE 30,
2024
(Amounts in thousands of euros)

	Note	As of June 30, 2024 (unaudited)	As of December 31, 2023
ASSETS			
Non-current assets			
Tangible fixed assets	9	19,510	19,366
Other intangible assets	9	44,539	45,312
Rights of use on leased assets	10	38,516	44,357
Investments in subsidiaries		1,114	1,113
Deferred tax assets		359,077	369,465
Accounts receivable and other financial assets	11.a	92,141	92,037
		554,897	571,650
Current assets			
Stock		6,536	6,536
Customers and accounts receivable	11.a	2,892,166	2,854,430
Accounts receivable and other assets	11.a	4,693	8,511
Derivative financial instruments	11.a	3,782	26,131
Cash and cash equivalents		941,323	1,033,657
		3,848,500	3,929,265
Total assets		4,403,397	4,500,915

Notes 1 to 18 described in the attached Explanatory Notes form an integral part of these Consolidated Condensed Interim Financial Statements.

TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS OF JUNE 30,
2024
(Amounts in thousands of euros)

	Note	As of June 30, 2024 (unaudited)	As of December 31, 2023
EQUITY			
Capital and Reserves attributable to the shareholders of the Parent Company			
Share capital	12	8,030	8,030
Additional paid-in capital		156,343	156,343
Treasury shares	12	(73,731)	(73,833)
Legal reserve		1,137	1,137
Hedging reserve		(2,042)	10,856
Cumulative conversion difference		(60,826)	(62,822)
Retained earnings		314,603	273,953
Equity attributable to shareholders		343,514	313,664
Non-controlling interests		11,013	10,853
Total equity		354,527	324,517
Equity loans	11.b,d	175,000	175,000
Other non-current liabilities			
Financial debt	11.b,d	280,303	380,758
Financial debt associated with rights of use of leased assets	10, 11b	22,420	25,746
Derivative financial instruments	11.b	798	-
Deferred tax liabilities		29,366	66,279
Other financial liabilities	11.b	267	262
Long-term employee benefits		3,627	3,588
Provisions for risks and expenses	13.a	82,054	82,054
		593,835	733,687
Current liabilities			
Trade creditors	11.b	3,066,815	3,076,251
Current tax liabilities		5,752	17,690
Financial debt	11.b,d	342,904	305,141
Financial debt associated with rights of use of leased assets	10, 11.b	17,700	19,897
Derivative financial instruments	11.b	4,811	1,058
Other accounts payable	11.b	16,970	22,479
Provisions for risks and expenses	13.b	83	195
		3,455,035	3,442,711
Total liabilities		4,048,870	4,176,398
Total equity and liabilities		4,403,397	4,500,915

Notes 1 to 18 described in the attached Explanatory Notes form an integral part of these Consolidated Condensed Interim Financial Statements.

TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM INCOME STATEMENT FOR THE
SIX-MONTH PERIOD ENDED JUNE 30, 2024
(Amounts in thousands of euros)

	Note	Six-month period ended June 30	
		2024 (unaudited)	2023 (unaudited)
Ordinary income		2,094,343	2,171,579
Provisions		(1,497,614)	(1,642,672)
Employee benefit expenditure		(326,276)	(269,657)
Amortization and impairment losses charges	9, 10	(14,996)	(12,944)
Other operating costs		(177,134)	(176,392)
Other operating income		5,869	7,428
Operating profits / losses		84,192	77,342
Financial revenue		14,121	11,950
Debt financing expenses		(18,817)	(17,445)
Financial expenses for leases		(864)	(718)
Other financial expenses		(7,616)	(5,919)
Profit / loss from exposure to hyperinflation		(6,618)	(963)
Net exchange differences		3,539	(4,199)
Share in the profit / loss of associated companies		1	(233)
Profit / loss before tax		67,938	59,815
Income tax	8	(25,816)	(21,297)
Profit / loss for the period		42,122	38,518
Attributable to:			
Shareholders of the Parent Company		42,043	40,504
Non-controlling interests		79	(1,986)
		42,122	38,518
(Losses) / Earnings per share of the profit / loss attributable to holders of equity instruments of the entity (expressed in euros per share):			
- Basic and Diluted	12	0.54	0.66

Notes 1 to 18 described in the attached Explanatory Notes form an integral part of these Consolidated Condensed Interim Financial Statements.

**TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED JUNE
30, 2024**

(Amounts in thousands of euros)

	Six-month period ended June 30	
	2024 (unaudited)	2023 (unaudited)
Profit / loss for the period	42,122	38,518
Items that can be reclassified to profit / loss		
Cash flow hedges	(17,287)	10,577
Tax effect	4,389	(2,696)
Cash flow hedges, net of taxes	(12,898)	7,881
Exchange differences in the conversion of foreign businesses	2,079	(5,818)
IAS 29 application adjustment	(1,669)	-
Total items that can be reclassified to profit / loss	(12,488)	2,063
Other comprehensive income for the period, net of taxes	(12,488)	2,063
Total comprehensive income for the period	29,633	40,581
Attributable to:		
- Shareholders of the Parent Company	29,472	42,643
- Non-controlling interests	161	(2,062)
Total comprehensive income for the period	29,633	40,581

Notes 1 to 18 described in the attached Explanatory Notes form an integral part of these Consolidated Condensed Interim Financial Statements.

TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2024

(Amounts in thousands of euros)

	Attributable to the owners of the Parent Company						Equity attributable to shareholders	Non-controlling interests	Total equity
	Share capital and additional paid-in capital	Treasury Shares	Legal reserve	Hedging reserve	Cumulative conversion difference	Retained earnings			
Balance as of January 01, 2024	164,373	(73,833)	1,137	10,856	(62,822)	273,953	313,664	10,853	324,517
Comprehensive income for the period									
Profit / loss for the period	-	-	-	-	-	42,043	42,043	78	42,122
Other comprehensive income									
Cash flow hedges, net of taxes	-	-	-	(12,898)	-	-	(12,898)	-	(12,898)
IAS 29 application adjustment	-	-	-	-	-	(1,669)	(1,669)	-	(1,669)
Exchange difference in the conversion of foreign businesses	-	-	-	-	1,996	-	1,996	83	2,079
Total other comprehensive income	-	-	-	(12,898)	1,996	(1,669)	(12,571)	83	(12,488)
Total comprehensive income for the period	-	-	-	(12,898)	1,996	40,374	29,472	161	29,633
Transactions with owners in their capacity as such:									
Transactions with treasury stock or shares (net)	-	102	-	-	-	276	378	-	378
Total transactions with owners in their capacity as such	-	102	-	-	-	276	378	-	378
Balance as of June 30, 2024 (unaudited)	164,373	(73,731)	1,137	(2,042)	(60,826)	314,603	343,515	11,014	354,527

Notes 1 to 18 described in the attached Explanatory Notes form an integral part of these Consolidated Condensed Interim Financial Statements.

TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2024

(Amounts in thousands of euros)

	Attributable to the owners of the Parent Company							Non-controlling interests	Total equity
	Share capital and additional paid-in capital	Treasury Shares	Legal and capitalization reserve	Hedging reserve	Cumulative conversion difference	Retained earnings	Equity attributable to shareholders		
Balance as of January 01, 2023	14,281	(72,909)	4,193	(14,186)	(71,885)	211,280	70,774	12,240	83,014
Comprehensive income for the period									
Profit / loss for the period	-	-	-	-	-	40,504	40,504	(1,986)	38,518
Other comprehensive income									
Cash flow hedges, net of taxes	-	-	-	7,881	-	-	7,881	-	7,881
Exchange difference in the conversion of foreign businesses	-	-	-	-	(5,742)	-	(5,742)	(76)	(5,818)
Total other comprehensive income	-	-	-	7,881	(5,742)	-	2,139	(76)	2,063
Total comprehensive income for the period	-	-	-	7,881	(5,742)	40,504	42,643	(2,062)	40,581
Transactions with owners in their capacity as such:									
Capital increase	150,092	-	-	-	-	(7,472)	142,620	-	142,620
Transactions with treasury stock or shares (net)	-	(980)	-	-	-	860	(120)	-	(120)
Total transactions with owners in their capacity as such	150,092	(980)	-	-	-	(6,612)	142,500	-	142,500
Balance as of June 30, 2023 (unaudited)	164,373	(73,889)	4,193	(6,305)	(77,627)	245,172	255,917	10,178	266,095

Notes 1 to 18 described in the attached Explanatory Notes form an integral part of these Consolidated Condensed Interim Financial Statements

TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR
THE SIX-MONTH PERIOD ENDED JUNE 30, 2024 (Amounts in thousands of
euros)

	Six-month period ended June 30	
	2024 (unaudited)	2023 (unaudited)
Cash flows from operating activities		
<u>Profit / loss for the period</u>	42,122	38,518
Adjustments to profit / loss		
Taxes	25,816	21,296
Amortization of tangible and intangible fixed assets and rights of use of leased assets	14,996	12,944
Net movement of provisions	(7,515)	7,656
Share in the profit / loss of associated companies	(1)	233
Interest income	(14,121)	(11,950)
Interest expenses	27,297	24,082
Change in profit / loss from derivatives	7,664	5,792
Profit / loss from exposure to hyperinflation	6,618	963
Exchange rate differences	(3,539)	4,199
<u>Changes in working capital:</u>		
Stock	-	(33)
Customers and accounts receivable	(21,384)	55,333
Trade creditors	(19,408)	(176,573)
Other accounts payable	(5,634)	(3,528)
Settlements of hedging derivatives and other variations	2,192	11,641
<u>Other cash flows from operating activities:</u>		
Interest paid	(32,597)	(22,672)
Interest charged	14,121	11,950
Paid taxes	(57,154)	(18,861)
Net cash (applied to) / generated from operating activities	(20,529)	(39,010)
Cash flows from investment activities		
Acquisition of Tangible Fixed Assets	(2,774)	(9,633)
Acquisition of Intangible Fixed Assets	(66)	(38)
Disposal of long-term assets	5	265
Net cash (applied to) / generated from investment activities	(2,835)	(9,406)
Cash flows from financing activities		
Capital increase	-	150,092
Costs associated with capital increase	-	(7,472)
Financial debt obtained in the period	184,180	160,926
Repayment of financial debt	(241,573)	(212,395)
Lease payments	(11,956)	(9,981)
Net acquisition / disposal of treasury shares	378	(121)
Net cash (applied to) / generated from financing activities	(68,971)	81,049
Net change in cash and cash equivalents	(92,334)	32,633
Cash and cash equivalents at the beginning of the period	1,033,657	959,680
Cash and cash equivalents at the end of the period	941,323	992,313

Notes 1 to 18 described in the attached Explanatory Notes form an integral part of these Consolidated Condensed Interim Financial Statements.

TÉCNICAS REUNIDAS, S.A. AND SUBSIDIARIES

EXPLANATORY NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

1. General information

Técnicas Reunidas, S.A. (hereinafter the "Parent Company") and its subsidiaries (together, "the Group"), was incorporated on July 06, 1960 as a Public Limited Company. It is registered in the Commercial Registry of Madrid, on page 5,692, folio 129 of volume 1,407 of Companies. The latest adaptation of its bylaws, due to the increase in its share capital, is registered in volume 40,579, folio 63, page M-72319, entry no. 281.

On May 21, 2021, the transfer of the registered office of Técnicas Reunidas, S.A., from Arapiles 14, 28015, Madrid, to Avenida de Burgos 89, Adequa, Building 6, Madrid, Spain, was registered in the commercial registry of Madrid.

The corporate purpose is described in Article 4 of the Parent Company's Bylaws and consists of providing all types of engineering and construction services for industrial facilities, ranging from feasibility studies or basic and conceptual engineering to the complete execution of large and complex turnkey projects, including engineering and design, management of procurement and delivery of equipment and materials, and the construction of facilities and other related or linked services, such as technical assistance, construction supervision, site management, project management, start-up and training.

The Group, within its engineering services activity, operates mainly in the following business lines (note 7):

- Refining
- Natural gas
- Petrochemicals
- Low-carbon technologies
- Other

All shares of Técnicas Reunidas, S.A. have been listed on the stock exchange since June 21, 2006. They are listed on the Continuous Market of the Spanish Stock Exchange and on Spanish Markets.

The companies that make up the Group close their financial year on December 31.

The annual accounts of Técnicas Reunidas, S.A. (Parent Company) and the consolidated annual accounts of Técnicas Reunidas, S.A. and subsidiaries corresponding to the 2023 financial year were formulated by the Board of Directors on February 28, 2024, and approved without modifications by the General Shareholders' Meeting held on June 26, 2024.

These consolidated condensed interim financial statements (hereinafter, the "condensed financial statements" or "interim financial statements") have been prepared and formulated by the Board of Directors on July 30, 2024. These interim financial statements have been subject to a limited review but have not been audited.

The figures contained in these interim financial statements are shown in thousands of euros, unless expressly stated.

2. Basis of presentation

2.1 General information

These interim financial statements for the six-month period ended June 30, 2024 have been prepared in accordance with IAS 34, "Interim Financial Reporting" and, therefore, do not include all the information that would be required by complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. Therefore, the attached interim financial statements should be read together with the Group's consolidated annual accounts for the financial year ended December 31, 2023, formulated in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS-EU).

2.2 Comparison of the Information

For comparative purposes, the consolidated condensed interim income statement, the consolidated condensed interim statement of comprehensive income, the consolidated condensed interim statement of changes in equity and the consolidated condensed interim statement of cash flows as at June 30, 2024 are presented with

information relating to the six-month period ended June 30, 2023 and the consolidated condensed interim balance sheet is presented with information relating to the financial year ended December 31, 2023.

2.3. Relevant events

2.3.1 Capital increase 2023

In May 2023, the Parent Company carried out a capital increase in the amount of EUR 150,092 thousand, which was fully subscribed and paid up as of December 31, 2023. This capital increase is part of the Group's strategy to strengthen its assets and liquidity in order to face the wave of energy investments and decarbonization that it is tackling with guarantees.

As a result of this capital increase, the company's financial and solvency situation has been strengthened. It is also worth noting that, in addition to the 2023 capital increase, the company's liquidity position has also been strengthened thanks to the recovery of activity and financial flows in the 2022-2024 period, as well as the progress of projects in accordance with the schedules agreed with customers, the incident-free execution of recently contracted projects, the progress of ongoing plans to improve the efficiency of the Group's activities, the conversion of change orders and claims into cash, as well as the various financial measures adopted by the Group in recent periods (among which the obtaining in 2022 of EUR 340 million from the Fund to Support the Solvency of Strategic Companies stands out). The Group constantly monitors its liquidity needs and ensures that it has the necessary funds to cover its operating needs.

In this context, the Administrators of the Parent Company estimate that the Group's liquidity and solvency position will evolve positively in the coming months, as a result of the normal progress of ongoing projects, the development of the new portfolio of awarded projects and the conversion into cash of the completed work pending invoice and the materialization in cash of the change orders and claims that are being negotiated with customers.

2.3.2 New strategic plan - May 2024

The company has updated its strategy for the next 4 years, under the name SALTA, focusing on more profitable growth, with higher margins and lower risk.

SALTA establishes a new organizational model (currently under development for subsequent implementation) in which 5 Business Units will be defined: 1) Engineering & Services, 2) Power, 3) North America, 4) Europe & RoW and 5) Middle East & APAC.

The five new business units will implement Técnicas Reunidas' growth plan for the coming financial years. This will be based on 7 key pillars: Engineering and Services, North America, Energy Transition (Track), digitalization, Sinopec and other alliances, strengthening local presence and talent:

Engineering and services: Intensifying the provision of Services. Creation of a specific business unit to boost the engineering and project management services business. The characteristics of each of them are as follows:

North America. The recent launch of the North American office will allow us to capture the potential of the local market with a strong focus on decarbonization.

Energy Transition. Focus on low-emission technologies, especially hydrogen and its derivatives, carbon capture and sustainable fuels.

Digitalization. Increasing efficiency and productivity through innovation in digital tools.

Alliance with Sinopec and new alliances. Strengthening tendering and project execution thanks to the partnership with Sinopec and planned future partnerships.

Reorganization of the management model: Intensifying the local presence of TR in each of the defined geographical implementation units.

Retention of high-value talent. Internal programs that reinforce the retention of the most qualified personnel and planning their growth in a more personalized way.

With the implementation of SALTA's new strategy and the expected strength in demand for its engineering and project execution services, Técnicas Reunidas expects to multiply its operating profit (EBIT) by 2.4, continuing with the deleveraging process and strengthening the company's financial strength between now and 2028.

Within this context of growth in revenue and financial strength, Técnicas Reunidas will resume an attractive shareholder remuneration policy, consisting of setting its pay-out (percentage of profits allocated to dividends) at

least at 30% in 2026. The objective will be to gradually increase this remuneration in subsequent financial years until reaching, at least, the “pay-out” tiers consolidated in the past.

2.3.3. Conflict in Ukraine

The conflict in Ukraine has significantly affected market stability, especially in geographical areas close to the conflict. In this regard, significant disruptions have been generated throughout the entire supply chain of the engineering and construction industry in the energy sector. This has primarily resulted in significant instability in supplier offerings and lack of resource availability.

Since the outbreak of the conflict, the Group has reached agreements with the clients of several of the projects most affected by the consequences of the war and those arising from it, formalizing addenda and modifications to the original contracts. This has enabled the Group to mitigate the effects of the conflict on project implementation and to execute projects within the initially planned margins.

The Group continues to periodically monitor all ongoing projects for possible changes in market conditions generated by the conflict.

2.3.4. COVID effects

In the first six months of the 2024 financial year, there have been no impacts of COVID-19, with the situation of the projects affected by the compensation agreements reached with clients in previous financial years having stabilized to date.

3. Accounting policies

Except as indicated below, the accounting policies applied are consistent with those applied in the consolidated annual accounts for the 2023 financial year.

Taxes accrued on interim period profit / loss are calculated based on the weighted average tax rate estimated by Management that would be applicable to the total expected annual revenue.

3.1. Mandatory rules, amendments and interpretations for all financial years beginning on or after January 01, 2024:

- IFRS 16 (Amendment): “Lease liability on a sale with leaseback”.
- IAS 1 (Amendment) “Classification of liabilities as current and non-current and those subject to covenants”.
- IAS 7 and IFRS 7 (Amendment): “Financing agreements with suppliers”.
- The application of these amendments and interpretations has not had a significant effect on these consolidated condensed interim financial statements.

3.2 Rules, amendments and interpretations that have not yet entered into force, but which may be adopted in advance:

- IAS 21 (Amendment) - "Absence of convertibility".
- IFRS 18 - "Presentation and disclosure of financial statements".
- IFRS 19 - "Disclosures of non-public accounting subsidiaries".
- IFRS 7 and IFRS 9 (Amendment) - "Classification and measurement of financial instruments".

The Group has not adopted any of the amendments set out above in advance, as they would not have a material effect on these consolidated condensed interim financial statements.

3.3 Changes in the scope of consolidation

There have been no changes in the scope of consolidation during the six-month periods ended June 30, 2024 and June 30, 2023.

4. Estimates

The preparation of these interim financial statements requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts presented as assets and liabilities, income and expenses. Actual revenue could differ from these estimates.

In preparing these interim financial statements, the relevant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty have been the same as those applied in the consolidated annual accounts for the financial year ended December 31, 2023, except for changes in estimates for determining the provision for income tax (see Notes 3 and 8).

5. Financial risk management

5.1 Financial and environmental risk factors

The Group's activities expose it to various financial risks: market risk (including exchange rate risk, interest rate risk on cash flows and price risk), credit risk and liquidity risk.

The interim financial statements do not include all the information and disclosures on financial and environmental risk management required for the consolidated annual accounts, and should therefore be read in conjunction with the Group's consolidated annual accounts for the financial year ended December 31, 2023 (Note 3 to the consolidated annual accounts for the 2023 financial year).

5.2 Liquidity risk

Cash flow forecasting is carried out in the Group's entities and in the Group's aggregate financial activities. The Group's Management monitors the forecasts of the Group's liquidity needs in order to ensure that it has sufficient cash to meet its operating needs in the short term, while maintaining the availability of unused credit lines (See note 11.d).

5.3 Estimation of fair value

For those financial instruments that are valued at fair value in the consolidated condensed interim balance sheet, the valuations are broken down by tiers, following the following hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Tier 1).
- Inputs other than the quoted price included within Tier 1 that are observable for the asset or liability, either directly (i.e. the prices) or indirectly (i.e. derived from the prices) (Tier 2).
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs) (Tier 3).

The following tables present the Group's assets and liabilities valued at fair value:

As of June 30, 2024	Tier 1	Tier 2	Tier 3	Total balance
Assets				
Financial assets at fair value with changes in other comprehensive income	-	264	-	264
Hedging derivatives	-	3,782	-	3,782
Total assets	-	4,046	-	4,046
Liabilities				
Hedging derivatives	-	5,609	-	5,609
Total liabilities	-	5,609	-	5,609
As of December 31, 2023				
As of December 31, 2023	Tier 1	Tier 2	Tier 3	Total balance
Assets				
Financial assets at fair value with changes in other comprehensive income	-	264	-	264
Hedging derivatives	-	26,131	-	26,131
Total assets	-	26,395	-	26,395
Liabilities				
Hedging derivatives	-	1,058	-	1,058
Total liabilities	-	1,058	-	1,058

a) Financial instruments at Tier 1

The fair value of financial instruments traded in active markets is based on quoted market prices as of the balance sheet date. A market is considered active when quoted prices are readily and regularly available through an exchange, financial intermediary, industry institution, pricing service or regulatory body, and those prices reflect current market transactions that occur regularly, between parties acting at arm's length. The market quoted price used for financial assets held by the Group is the current buyer price. These instruments are included in Tier 1.

b) Financial instruments at Tier 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. Valuation techniques maximize the use of available observable market input and rely as little as possible on entity-specific estimates. If all significant inputs required to calculate the fair value of an instrument are observable, the instrument is included in Tier 2.

Specific techniques for valuing financial instruments include:

- Market quoted prices or prices established by financial intermediaries for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on estimated interest rate curves.
- The fair value of foreign currency futures is determined using forward exchange rates at the balance sheet date, with the resulting amount discounted to its present value.
- Other techniques, such as discounted cash flow analysis, are used to analyze the fair value of other financial instruments.

As regards financial instruments, credit risk must be included in fair value measurements, understanding credit risk as both the counterparty's credit risk and the Group's own credit risk when necessary.

Due to the characteristics of the Group's portfolio, the application of credit risk has an impact mainly on the portfolio of financial derivatives designated as cash flow hedges, given that they are valued at fair value.

These instruments have the specific feature that their expected cash flows are not predetermined, but change depending on the underlying financial variable, so the determination of the credit risk to be applied, that is, the

own or the counterparty's, is not intuitive, but depends on the market conditions at any given time and therefore requires quantification through valuation models.

The derivatives contracted by the Group correspond mainly to currency futures and commodity futures.

Foreign exchange forward transactions consist of the purchase of one currency against the sale of another different currency, the exchange rate of which is fixed on the contract date and its delivery or settlement takes place in the future, starting on the third business day after the contract comes into effect.

Listed commodity forward transactions consist of the purchase or sale of a raw material in the future, the exchange rate of which is fixed on the contract date and its delivery or settlement takes place in the future, starting on the third business day after the contract comes into effect.

The effect of credit risk on the valuation of currency and commodity futures will depend on the settlement of the future. In the event that the settlement is favorable to the Group, a counterparty credit spread is incorporated to quantify the probability of default at maturity; otherwise, if the settlement is expected to be negative for the Group, the Group's own credit risk is applied to the final settlement. To determine whether the settlement of futures is favorable or unfavorable to the Group, it is necessary to use a stochastic model in which the behavior of the derivative is simulated in different scenarios using complex mathematical models, based on the volatility of the underlying, and apply the resulting credit spread in each simulation.

There have been no significant changes in economic or business circumstances that would significantly affect the fair value of the Group's financial assets and liabilities in the first half of 2024 or the first half of 2023.

There have been no reclassifications of financial assets or transfers of tiers in the first half of 2024 or the first half of 2023.

6. Seasonality of operations

The Group's activity is not seasonal.

7. Information by operating segments

The Group is organized into the operating segments detailed below:

- i) Refining;
- ii) Natural gas;
- iii) Petrochemicals;
- iv) Low-carbon technologies;
- v) Other.

Although the Group's core business is the provision of engineering and construction services, the segment reporting format mentioned above is presented with the understanding that the risks and benefits that may arise from its business activities and the specialization required to complete projects in these segments, among other differentiating factors, make this segment distinction necessary to provide optimal knowledge of the business structure.

The different segments can be summarized as follows:

Refining: This line provides management, engineering, procurement, construction and commissioning services for facilities along the entire value chain for the production of fuels that meet the highest standards (Euro V/Euro VI). These facilities convert waste streams into high-quality fuels, optimizing the use of natural resources.

Additionally, the Group has extensive experience in the design and construction of the most advanced technologies in refining production processes. The Group also offers its clients the possibility of renovating existing plants in order to improve their efficiency and advance the sustainability actions and commitments they have decided to implement.

The Hassi Messaoud project is currently being renegotiated between the parties, in order to be relaunched with a new scope and implementation schedule, once the agreement is formalized.

Natural Gas: This area provides management, engineering, procurement, construction and commissioning services for facilities throughout the entire supply chain, from natural gas production to regasification terminals, since natural gas is a key fuel for progressing towards decarbonization goals. In this regard, the Group has designed and implemented all types of facilities, from production facilities in natural gas fields to treatment and processing plants, compression stations, liquefaction, storage tanks and final regasification facilities.

Petrochemicals: This area provides management, engineering, procurement, construction and commissioning services for facilities dedicated to the production of basic chemical materials used in water distribution, pharmacy, health, food, energy efficiency in buildings and transportation systems, among others. Refining production plants are being integrated with petrochemical operations, supplying both markets efficiently and flexibly and optimizing the consumption of natural resources.

Low-carbon technologies: This segment comprises the following lines of activity:

(i) Hydrogen

Through this line of business, the Group is actively involved in offering solutions for different types of hydrogen, helping its clients to integrate this element into their production processes with storage solutions or by mixing it with existing gas networks.

(ii) Carbon capture and storage

The Carbon Capture and Storage (“CCS”) pipeline helps energy-intensive industrial companies, such as the steel, chemical, cement and paper industries, to reduce carbon emissions from their assets. High-intensity industrial facilities are complex, with space and operational limitations that make it difficult to integrate new processes. In response to these challenges, the Group is accelerating its customers' energy transition towards a zero-emission future by implementing carbon capture technologies in its industrial processes. Once captured, carbon dioxide is either stored permanently or later converted into synthetic fuels.

(iii) Circular Economy and Bioproducts

Within this line of activity, the Group provides services to produce biomethane and convert biomass and waste into fuels (biodiesel and biokerosene), chemical products and power and steam generation.

Other: This segment provides management, engineering, procurement, construction and commissioning services for facility projects related to activities outside the Group's business lines. The main activities are water treatment, port infrastructure and oil production. Also included in this segment are those projects the completion of which was not achieved as a result of the client terminating the implementation of guarantees. The purpose of this inclusion is to avoid distorting the analysis of the remaining segments.

General expenses related to the head office and functional departments that do not generate revenue or that may generate revenue that is only incidental to the Group's activities and that, in any event, cannot be allocated to any operating segment or included as part of an operating segment, as described in IFRS 8.6, are classified as 'Unallocated'.

The operating segment analysis is based on an assessment of the segments' profit / loss from operations, adjusted for unallocated general expenses of the Group. Additionally, the Group manages financing activities and the effect of income tax. Consequently, financial income and expenses and income tax, as well as financial debt and taxes payable, have not been distributed by segments. Additionally, non-current assets, nor the corresponding amortization or impairment, are not recorded, as they are not considered significant.

It should be noted that no sales were made between the different segments reported in the periods presented.

The breakdown of revenue and results by business segment for the six-month periods ended June 30, 2024 and 2023 is as follows:

Miles de euros						
Período de seis meses finalizado el 30 de junio de 2024						
Refino	Gas natural	Petroquímica	Tecnologías bajas en carbono	Otros	Sin asignar	Grupo
Ingresos ordinarios	427.456	1.235.864	329.518	50.895	50.610	2.094.343
Beneficio de explotación	(4.141)	59.448	83.199	(1.053)	5.524	84.192
Resultado financiero neto	-	-	-	-	-	(16.255)
Participación en los resultados de empresas asociadas	-	-	-	-	1	1
Beneficio antes de impuestos	(4.141)	59.448	83.199	(1.053)	5.524	67.938
Impuesto sobre las ganancias	-	-	-	-	-	(25.816)
Beneficio del período	(4.141)	59.448	83.199	(1.053)	5.524	42.122

Miles de euros						
Período de seis meses finalizado el 30 de junio de 2023						
Refino	Gas natural	Petroquímica	Tecnologías bajas en carbono	Otros	Sin asignar	Grupo
Ingresos ordinarios	521.296	1.205.813	305.134	10.819	128.517	2.171.579
Beneficio de explotación	6.801	105.012	48.331	(146)	(32.660)	77.342
Resultado financiero neto	-	-	-	-	-	(17.294)
Participación en los resultados de empresas asociadas	-	-	-	-	-	(233)
Beneficio antes de impuestos	6.801	105.012	48.331	(146)	(32.660)	59.815
Impuesto sobre las ganancias	-	-	-	-	-	(21.297)
Beneficio del período	6.801	105.012	48.331	(146)	(32.660)	38.518

Revenue by geographic area for the six-month periods ended June 30, 2024 and 2023:

Thousands of euros		
Six-month period ended June 30		
	2024	2023
Spain	54,816	37,495
Middle East	1,143,367	1,180,208
America	271,394	366,393
Asia	207,241	232,913
Europe	379,929	309,241
Mediterranean	37,596	45,329
Total	2,094,343	2,171,579

Revenues from the Middle East geographic area correspond mainly to operations carried out in Saudi Arabia, the United Arab Emirates, Kuwait, Bahrain, Qatar, Azerbaijan and Oman; in the Americas area, they correspond mainly to operations carried out in Argentina, Peru, Mexico, Colombia, Canada and Chile; the Asia geographic area includes operations carried out in Malaysia, Thailand, India, Kazakhstan and Singapore; the Europe geographic area includes operations carried out mainly in Poland and Belgium, and the Mediterranean geographic area basically includes operations in Turkey and Algeria, among other countries.

Regarding assets and liabilities by segment, there have been no changes in their allocations during the first half of 2024 and 2023 compared to December 2023 and 2022, corresponding mostly to the Refining and Natural Gas segments (Note 5 of the Consolidated Annual Accounts as of December 31, 2023).

8. Income tax

The income tax expense is recognized based on Management's estimate in accordance with the results obtained in the first half of the financial year.

The estimated effective tax rate, applicable to the earnings before taxes and before the earnings of entities valued by the equity method, was 38% in the first half of the year (expense for Tax on profits before taxes of EUR 68 million). In the first half of 2023, the estimated effective tax rate on these earnings was 36% (tax expense on pre-tax profits of EUR 60 million).

In October 2021, 137 countries from the OECD Inclusive Framework reached a political agreement to establish common rules to ensure minimum taxation of multinational groups; this agreement was finalized in December 2021 with the publication of model rules guaranteeing an overall effective tax rate of 15%. Regarding the local implementation of this minimum tax, in Spain it is expected that the regulation will be approved before the end of the year (the corresponding bill is currently being processed in parliament). In any case, beyond a significant

increase in formal charges, the Técnicas Reunidas Group does not expect significant economic impacts from the application of this regulation, as it is already subject to effective tax rates well above 15% in the main territories in which it operates.

9. Tangible fixed assets and other intangible assets

The movement during the first six months of 2024 and 2023 is as follows:

	Thousands of euros	
	Intangible assets	Tangible fixed assets
Cost		
Balances as of January 01, 2024	78,246	68,105
Additions	66	2,774
Derecognitions due to sales or other means	(578)	(1,337)
Exchange rate differences	14	1,003
Balances as of June 30, 2024	77,748	70,545
Accumulated depreciation		
Balances as of January 01, 2024	32,934	48,739
Derecognitions due to sales or other means	(578)	(1,332)
Provisions charged to the income statement	837	2,889
Exchange rate differences	16	739
Balances as of June 30, 2024	33,209	51,035
Net assets		
Balances as of January 01, 2024	45,312	19,366
Balances as of June 30, 2024	44,539	19,510

	Thousands of euros	
	Intangible assets	Tangible fixed assets
Cost		
Balances as of January 01, 2023	78,458	57,774
Additions	38	9,633
Derecognitions due to sales or other means	(123)	(2,203)
Exchange rate differences	(17)	(60)
Balances as of June 30, 2023	78,356	65,144
Accumulated depreciation		
Balances as of January 01, 2023	31,478	48,235
Derecognitions due to sales or other means	(106)	(1,955)
Provisions charged to the income statement	866	1,578
Exchange rate differences	(12)	(314)
Balances as of June 30, 2023	32,226	47,544
Net assets		
Balances as of January 01, 2023	46,980	9,539
Balances as of June 30, 2023	46,130	17,600

As of June 30, 2024 and December 31, 2023, the Group did not have significant commitments to purchase fixed assets.

10. Rights of use on leased assets

The movement during the first six months of 2024 and 2023 is as follows:

	Thousands of euros			
	Offices	Vehicles	Homes	Total
Cost				
January 01, 2024	55,687	9,469	6,957	72,113
New contract registrations	522	2,406	1,013	3,941
Variation due to modification of existing contracts	1,312	-	-	1,312
Derecognitions	(39)	(467)	-	(506)
Exchange rate differences	82	196	99	377
Final balance	57,564	11,604	8,069	77,237
Amortization				
January 01, 2024	19,287	4,772	3,697	27,756
Provision for the financial year	7,373	2,247	1,650	11,270
Derecognitions	(39)	(458)	-	(497)
Exchange rate differences	85	89	18	192
Final balance	26,706	6,650	5,365	38,721
Balances as of January 01, 2024	36,400	4,697	3,260	44,357
Net balance as of June 30, 2024	30,858	4,954	2,704	38,516
Thousands of euros				
	Offices	Homes	Vehicles	Total
Cost				
Balances as of January 01, 2023	91,505	21,133	19,069	131,707
New contract registrations	4,354	1,528	1,033	6,915
Derecognitions	(38,022)	(14,748)	(10,312)	(63,082)
Reclassification	-	(210)	210	-
Exchange rate differences	(894)	(461)	(257)	(1,612)
Balances as of June 30, 2023	56,943	7,242	9,743	73,928
Amortization				
Balances as of January 01, 2023	47,687	14,375	18,335	80,397
Provision for the financial year	7,038	1,889	1,573	10,500
Derecognitions	(38,022)	(14,748)	(10,312)	(63,082)
Reclassification	-	2,164	(2,164)	-
Exchange rate differences	(232)	(283)	(3)	(518)
Balances as of June 30, 2023	16,471	3,397	7,429	27,297
Net balances as of January 01, 2023	43,818	6,758	734	51,310
Net balances as of June 30, 2023	40,472	3,845	2,314	46,631

The derecognitions for the six-month period ended June 30, 2024 correspond to fully terminated and amortized leases.

The amounts paid corresponding to the rights of use on leased assets as of June 30, 2024 amount to EUR 11,956 thousand (December 31, 2023: EUR 20,855 thousand).

As of June 30, 2024, the financial debt associated with the rights of use of leased assets amounts to EUR 40,120 thousand (EUR 45,643 thousand as of December 31, 2023), and the amount of interest charged to the income statement amounts to EUR 864 thousand (EUR 1,205 thousand as of December 31, 2023).

a.1) - Value adjustments due to impairment of financial assets

Below is the movement produced in the first half of 2024 and 2023 in the balance of provisions for impairment of the assets that make up the balance of the "Customers and accounts receivable" section:

	Thousands of euros					
	As of June 30, 2024			As of June 30, 2023		
	Customers	OEPC	Total	Customer s	OEPC	Total
Opening balance	34,777	8,911	43,688	31,942	14,929	46,871
Provision charged to earnings	-	-	-	2,916	2,480	5,396
Reversal of provision	-	(7,515)	(7,515)	-	-	-
Final balance	34,777	1,396	36,173	34,858	17,409	52,267

The reversal of the impairment provision made in the first half of 2024 corresponds to customer balances and completed work pending certification that have been definitively written off.

The rest of the financial assets have not suffered impairment in the first half of 2024 and 2023.

a.2) - Customers and accounts receivable

This heading includes EUR 2,246,596 thousand (December 31, 2023: EUR 2,205,045 thousand) for Work implemented pending certification, which is calculated following the criteria established in Note 2.20 of the consolidated annual accounts for the financial year ended December 31, 2023.

Within the completed work pending certification as of June 30, 2024, claims and change orders amounting to EUR 729,982 thousand are recognized. As of December 31, 2023, the amount of such claims and change orders amounted to EUR 420,490 thousand, of which. At the date of preparation of these consolidated interim financial statements, the amount of claims and change orders has been reduced by EUR 6,621 thousand due to the formalization of favorable agreements with the customer.

The total amount requested in claims amounted to EUR 1,469,684 thousand and EUR 1,032,452 thousand, as of June 30, 2024 and December 31, 2023 respectively. The geographical composition of the amount recorded as of June 30, 2024 (December 31, 2023) is as follows:

- Middle East 70.9% (82.3%)
- America: 6.3% (6.0%)
- Geographical area of the Mediterranean, Europe and the Rest of the World: 22.8% (11.8%)

The total amount requested through change orders amounted to EUR 313,631 thousand and EUR 248,477 thousand, as of June 30, 2024 and December 31, 2023 respectively.

b) Financial liabilities

The financial liabilities as of June 30, 2024 and December 31, 2023 are broken down below by nature and valuation category:

Financial Liabilities	As of June 30, 2024		As of December 31, 2023	
	Debits and payables	Hedging derivatives	Debits and payables	Hedging derivatives
Nature / Category				
Equity loans	175,000	-	175,000	-
Financial debt	280,303	-	380,758	-
Financial debt associated with rights of use of leased assets	22,420	-	25,746	-
Derivatives	-	798	-	-
Other accounts payable	267	-	262	-
Long-term debts / Non-current Financial Liabilities	477,990	798	581,766	-
Financial debt	342,904	-	305,141	-
Financial debt associated with rights of use of leased assets	17,700	-	19,897	-
Derivatives	-	4,811	-	1,058
Trade creditors	3,066,815	-	3,076,251	-
Other accounts payable	16,970	-	22,479	-
Short-term debts / Current Financial Liabilities	3,444,389	4,811	3,423,768	1,058
Total financial liabilities	3,922,379	5,609	4,005,533	1,058

The carrying amount of financial instruments valued at amortized cost approximates their fair value.

The trade creditors section includes outstanding balances to be paid to suppliers that are managed through confirming contracts with financial institutions, and which as of June 30, 2024 represent 2% of the total balance of the aforementioned section. These operations do not include special guarantees granted as collateral for the payments to be made or modifications that alter the commercial nature of the transactions.

c) Financial hedging derivatives

Note 2.22 of the Group's consolidated report of the consolidated annual accounts for the financial year ended December 31, 2023 details the criteria used by the Group for hedging activities. There have been no changes to these criteria during the first half of 2024.

The variations produced during the first half of 2024 in the headings of Derivative financial instruments (current and non-current) correspond to the variations due to the valuation of derivative financial instruments carried out by the Group, as well as to the contracts and settlements of these during said period. There have been no changes in the valuation techniques used to estimate the fair value of derivative financial instruments. These valuation techniques are common practice in the market: the procedure consists of calculating the fair value by discounting the future cash flows associated with them in accordance with the interest rates, exchange rates, volatilities and forward price curves in force on the closing dates in accordance with the reports of financial experts.

There were no significant inefficiencies due to foreign currency hedging during the first half of 2024 and 2023.

d) External resources

The breakdown of external resources as of June 30, 2024 and December 31, 2023 is as follows:

	Thousands of euros	
	As of June 30, 2024	As of December 31, 2023
Non-current		
Equity loans	175,000	175,000
Other non-current liabilities		
Loans / Credits	185,243	235,184
Ordinary loan (SEPI)	82,500	132,000
Mortgage loan	7,282	7,870
Other	5,278	5,704
	280,303	380,758
Total non-current financial debt	455,303	555,758
Current		
Loans / Credits	138,379	152,562
Ordinary loan (SEPI)	49,500	33,000
Mortgage loan	1,768	2,022
Bonds and promissory notes	141,759	100,554
Debt interest	10,656	15,956
Other	842	1,047
Total current financial debt	342,904	305,141
Total equity loans	175,000	175,000
Total loans / credits	323,622	387,746
Total ordinary loans (SEPI)	132,000	165,000
Total mortgage loan	9,050	9,892
Total bonds and promissory notes	141,759	100,554
Total debt interest	10,656	15,956
Total Other	6,120	6,751
	798,207	860,899

The movement of external resources during the six-month periods ended June 30, 2024 and 2023 was as follows:

	Thousands of euros	
	As of June 30, 2024	As of June 30, 2023
Opening balance	860,899	977,131
Provisions	184,180	160,927
Refunds	(241,573)	(212,395)
Accrued interest	27,298	23,362
Interest paid	(32,597)	(22,672)
Final balance	798,207	926,353

On February 24, 2022, the Group received a disbursement of EUR 340 million from the "Fund to Support the Solvency of Strategic Companies" ("FASEE" in its Spanish acronym).

This aid was structured in the form of an equity loan amounting to EUR 175 million and an ordinary loan amounting to EUR 165 million. Both loans have a duration of four and a half years, with the possibility of early repayment. Except for this possibility of early repayment, in the case of an equity loan, the principal is repaid upon maturity, and for an ordinary loan, there is a grace period of 1 year and it is subsequently repaid annually at a rate of 20%, 30%, 30% and a final tranche of 20% upon maturity.

During the first six months of the 2024 financial year, the Group has repaid EUR 33,000 thousand of the ordinary loan in accordance with the established schedule.

The equity loan accrues an annual interest rate linked to IBOR + 350 bp. In addition, this financing also includes a variable component linked to the evolution of the Group's activity and the obtaining of profits before taxes.

The financing received includes among its conditions, non-compliance with which could be grounds for early termination, certain obligations regarding the allocation of the financing and compliance with the feasibility plan submitted, the adoption of digitalization and sustainability measures and the strengthening of the Group's assets consistent with the feasibility plan and the policy defined by the Group's Administrators. Furthermore, among other conditions, the change of control of the Group in 2024 is grounds for early termination. During the term of said loans, the Group is obliged not to distribute dividends. The Group expects to meet all of its obligations.

Under the terms of the financing, the Parent Company (Técnicas Reunidas, S.A.) acts as applicant, financed and beneficiary, and the group company Initec Plantas Industriales, S.A.U. acts as beneficiary and guarantor of the financing contracts. Both companies have joint liability for both loans.

As of June 30, 2024, the amount of the syndicated lines amounts to EUR 142,647 thousand. Financing requires that the Net Financial Debt / Consolidated EBITDA ratio be less than or equal to 2.5. Additionally, these two contracts contain a limitation on the distribution of earnings charged to the 2021-2024 financial years: 30% of the consolidated net profit for the 2021 / 2022 financial years, 40% of the consolidated net profit for 2023 and 50% of the consolidated net profit for 2024.

On the other hand, the balance as of June 30, 2024 of the MARF short-term promissory notes program amounts to EUR 89,500 thousand (December 31, 2023: EUR 51,500 thousand). The average interest rate is 5.81% (2023: 5.9%).

The balance of bonds in the Alternative Fixed Income Market (MARF in its Spanish acronym) as of June 30, 2024 amounts to EUR 49,800 thousand (December 31, 2023: EUR 49,800 thousand). The bonds issued in the MARF have an interest rate of 2.75% and mature in December 2024.

Since the close of the financial year until the date of preparation of these consolidated interim financial statements, two bilateral loans amounting to EUR 25,000 thousand have been renewed and new loans amounting to EUR 5,000 thousand have been signed.

The balance of the long-term debt private placement agreements and German promissory note financing outstanding as of June 30, 2024 amounts to EUR 96 thousand, and requires the Net Financial Debt / Consolidated EBITDA ratio to be less than or equal to 3.

As of June 30, 2024, of the total financial debt, EUR 408,083 thousand are at a fixed rate (December 31, 2023: EUR 428,295 thousand) according to the following breakdown:

Item	Thousands of euros			
	As of June 30, 2024		As of December 31, 2023	
	Amount	Rate	Amount	Rate
MARF promissory notes	89,500	5.81%	51,500	5.6% - 6.2%
Fixed credits	34,370	1.29% - 5%	50,255	1.29% - 5%
ICO Syndicate Loan	46,413	2.46%	55,740	2.46%
MARF Bonds	49,800	2.75%	49,800	2.75%
Private placement	56,000	3.25%	56,000	3.25%
Ordinary SEPI	132,000	2.00%	165,000	2.00%
	408,083		428,295	

The average variable interest rates applicable to the remaining debt have been as follows:

	2024	2023
	Euros	EUR
Floating rate	2.043%	2.08%

The Group's unused credit facilities are as follows:

	Thousands of euros	
	As of June 30, 2024	As of December 31, 2023
- with maturity in less than one year	7,221	34
- with maturity in more than one year	4,716	8,214
	11,937	8,248

As of the date of preparation of these interim financial statements, the Group complies with its financial ratio obligations (Net financial debt / consolidated EBITDA less than or equal to 2.5/3) affecting the two syndicated credit facilities, as well as the MARF bonds, the private placement and the German promissory notes, and estimates that it will continue to do so throughout the 2024 financial year.

12. Equity

Share capital

As of June 30, 2024, the total authorized number of ordinary shares is 80,301,265 shares (80,301,265 shares as of December 31, 2023) with a par value of EUR 0.10 per share. All issued shares are fully paid up and have the same political and economic rights (except treasury stock).

Treasury shares as of June 30, 2024 represent 2.72% of the Parent Company's share capital (2.76% as of December 31, 2023) and total 2,184,989 shares (2,219,634 shares as of December 31, 2023).

The General Meeting of Shareholders of the Parent Company agreed on June 25, 2020 to authorize the Board of Directors, for a period of 5 years, to acquire its own shares up to the maximum number established by law, at a price that may not be higher or lower than 5% of the weighted average price on the day the purchase is made (or the minimum and maximum prices permitted by law at any time) and with a maximum daily volume that may not exceed 15% of the daily average volume traded on the order market of the regulated market or the Spanish multilateral trading system in the previous thirty sessions.

The Parent Company entered into a liquidity agreement with Santander Investment Bolsa, Sociedad de Valores, S.A.U. The framework for this contract is that of the Spanish Stock Exchanges and the purpose pursued is to promote the liquidity of transactions. The contract, valid for 1 year, was renewed on July 10, 2017 in accordance with Circular 1/2017 of the National Securities Market Commission (CNMV) of April 26, being tacitly extended for additional years starting on July 10, 2019. The number of shares allocated to the securities account associated with the contract is 74,500 shares and the amount allocated to the cash account associated with the contract is EUR 2,537 thousand.

All shares of Técnicas Reunidas, S.A. have been listed on the four Official Spanish Stock Exchanges since June 21, 2006 and are listed on the continuous market.

Dividends declared and paid by the Parent Company

No dividends have been declared or paid in the first half of 2024 or 2023.

Profit / Loss per share

Basic profits / losses per share are calculated by dividing the profit attributable to holders of ordinary shares of the Parent Company by the weighted average number of ordinary shares outstanding during the period. The details thereof for the six-month periods ending June 30, 2024 and 2023 are as follows:

	<u>2024 (6 months)</u>	<u>*2023 (6 months)</u>
Profit for the financial year attributable to holders of ordinary equity instruments of the entity (Thousands of euros)	42,043	40,504
Weighted average number of ordinary shares outstanding	78,098,954	61,071,197
Earnings per share of profit attributable to holders of ordinary equity instruments of the entity (euros per share)	0.54	0.66

*The weighted average number for 2023 was calculated by weighting the shares existing before the increase and the shares issued in the increase by the number of days of each of them (181 days and 55 days respectively) and calculating the average.

The Parent Company has no issues of financial instruments that may dilute the losses / earnings per share.

13. Provisions for risks and expenses

Note 21 of the Group's consolidated annual accounts for the financial year ended December 31, 2023 details the criteria used by the Group to establish these provisions. There have been no changes to the criteria during the first half of 2024. In the first six months of the 2024 and 2023 financial years, provisions for long-term risks and expenses have not experienced any changes.

The items included in the provisions for long-term risks and expenses are as follows:

Provision for estimated construction losses

In compliance with the provisions of IAS 37, the Group establishes provisions to cover estimated future losses from projects currently in progress.

Provision for infrastructure

Likewise, for those projects that are completed, the Group makes an estimate of the probable costs to subsequently be incurred in connection with them.

Other provisions

Corresponds to provisions established to cover other risks and expenses, including payment commitments to project partners, provisions for probable risks and provisions for other payments to be made in the long term related to litigation, arbitration and claims with clients and subcontractors.

During the first half of 2024, the processes described in Note 21 of the consolidated annual accounts as of December 31, 2023, have continued their course, with no additional risks to those already existing having been revealed, so Management has not considered it necessary to increase the provisions made.

In relation to non-current provisions, given the characteristics of the risks included, it is not possible to determine a reasonable schedule of payment dates.

b) Provisions for risks and expenses - Current

	<u>Thousands of euros</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Opening balance	195	1,282
Reversals / Applications	(112)	(682)
Provisions	-	-
Final balance	83	600

14. Related-party transactions

The related-party transactions, typical of the Group's ordinary traffic, during the first six months of 2024 and 2023 are the following:

- Transactions carried out with shareholders of the Parent Company

During the first six months of the 2024 and 2023 financial years, the Group has not carried out any transactions with any of its main shareholders.

- Transactions carried out with Board Members and Managers of the Parent Company and entities linked to them

During the six-month period ended June 30, 2024 and June 30, 2023, no transactions have been carried out with Board Members of the Parent Company, except as detailed in Note 15.

Furthermore, Note 15 includes information related to the remuneration paid to the Board Members of Técnicas Reunidas, S.A.

- Transactions carried out with associated companies

This corresponds to the transactions carried out with the associated companies (Master de Ingeniería y Construcción, S.L.) for the portion not eliminated in the consolidation process. The details of these transactions are as follows:

	Thousands of euros	
	1 st six months 2024	1 st six months 2023
Loans	173	2,751
Customers	186	347

15. Remuneration and other benefits paid to the Board of Directors of the Parent Company and to senior executives

a) Remuneration of the Board of Directors

The details of the remuneration and benefits received by the members of the Board of Directors of the Parent Company, corresponding to the six-month periods ended June 30, 2024 and 2023 are as follows:

	Thousands of euros	
	June 30, 2024	June 30, 2023
Remuneration item		
Fixed remuneration	343	343
Allowances	768	957
Other services	-	153
Total:	1,111	1,453
Other benefits		
Life insurance premiums	2	2
Total other benefits:	2	2

Additionally, the Group has an annual payment commitment of EUR 315 thousand in 2024 and EUR 331 thousand in 2023 for the Directors' civil liability insurance.

During the first six months of the 2024 and 2023 financial years, no advances or pension plans have been granted to members of the Board of Directors.

b) Remuneration of senior executives

The total remuneration paid to senior management staff, corresponding to the six-month period ended June 30, 2024, amounts to EUR 5,296 thousand (June 30, 2023: EUR 4,995 thousand).

During the first six months of the 2024 and 2023 financial years, no advances or loans have been granted to senior management staff.

No other remuneration items have been accrued during the first six months of the 2024 or 2023 financial years.

16. Average workforce

The details of the Group's average workforce for the period corresponding to the first six months of the 2024 and 2023 financial year, distributed by category and by gender:

	Average Workforce for the six-month period					
	2024			2023		
	Men	Women	Total	Men	Women	Total
Executive Directors and Senior Managers	9	1	10	9	1	10
Technical and clerical staff graduates	6,596	2,132	8,728	6,046	2,030	8,076
Non-graduates / unqualified	119	7	126	75	3	78
Sales representatives	35	22	57	23	25	48
	6,759	2,162	8,921	6,153	2,059	8,212

Additionally, the subcontracted staff as of June 30, 2024 amounted to 786 employees (June 30, 2023: 571 employees).

The average number of persons with a disability greater than or equal to 33%, employed in the six-month periods ended June 30, 2024 and June 30, 2023 by the companies included within the Group, amounts to 36 and 37 respectively.

17. Other information

Contingencies and guarantees granted

Note 28 of the consolidated report of the consolidated annual accounts for the financial year ended December 31, 2023 provides information on contingencies and guarantees granted as of that date.

In the normal course of business and as is common practice among companies engaged in engineering and construction activities, the Group has provided guarantees to third parties amounting to EUR 3,954,931 thousand as of June 30, 2024 (December 31, 2023: EUR 3,913,611 thousand).

The total guarantees provided includes syndicated guarantee lines amounting to EUR 530,242 thousand (December 31, 2023: EUR 542,485 thousand), of which EUR 434,528 thousand are subject to a financial ratio, Equity attributable to shareholders / total balance sheet, which must be greater than 9.00, which has been met as of the date of preparation of these interim financial statements, and which is considered to be met throughout the 2024 financial year. For the calculation of this ratio, the equity loan is considered as part of the attributable net worth.

The Group's Management considers that the provisions recorded in these interim financial statements as of June 30, 2024 reasonably cover the risks of litigation, arbitration and claims. The Group is party to certain judicial and arbitration disputes, within the framework of the project closing process, with clients and suppliers. Based on the opinion of the legal advisors of the Group and the company, formulated using the information available, the Parent Company estimates that, except for those disputes for which the provision corresponding to the best estimate made regarding the impact that their resolution could have has been recorded, the outcome of which will not significantly influence the Group's financial situation.

18. Events subsequent to the close

Between the closing date of the interim period corresponding to the six months ended June 30, 2024 and the date of preparation of these interim financial statements, no significant event has occurred that is not mentioned in the explanatory notes to the interim financial statements.

**CONSOLIDATED INTERIM MANAGEMENT REPORT
FOR THE SIX-MONTH PERIOD ENDED
JUNE 30, 2024**

1. Business performance

The macroeconomic environment

With disinflation and firm growth expected in 2024, the likelihood of a hard landing has receded, and risks to global growth are broadly balanced. Inflation on both sides of the Atlantic remains under control, below 4%, although above the central banks' target levels (2%). The reluctance of prices to fall below the central banks' target levels has led to the postponement of expected rate cuts in the United States and Europe.

On the positive side, faster disinflation could lead to further easing of financial conditions. A fiscal policy that is more lax than necessary and than assumed in the projections could lead to a temporary increase in growth, at the risk of a more costly subsequent adjustment. Greater momentum in structural reforms could boost productivity and lead to positive cross-border spillovers. On the downside, further escalations in commodity prices due to geopolitical shocks - such as the ongoing attacks in the Red Sea - and supply disruptions, or a more persistent underlying inflation, could prolong restrictive monetary conditions. A deepening of China's property sector problems or destabilization elsewhere caused by tax increases and spending cuts could also cause disappointing growth.

Global growth is projected for 2024 and 2025 to be below the historical (2000-19) annual average of 3.8%, reflecting restrictive monetary policies and the withdrawal of fiscal support, as well as low underlying productivity growth. Growth in advanced economies is projected to slow slightly in 2024 before picking up in 2025, reflecting a recovery in the eurozone after slow growth in 2023 and the moderation of growth in the United States. Growth in emerging market and developing economies is expected to be stable in 2024 and 2025, albeit with regional differences. Projections put global trade growth at 3.3% in 2024 and 3.6% in 2025, below the historical average growth rate of 4.9%. All indications are that increasing trade disruptions and geo-economic fragmentation will continue to weigh on global trade levels.

These forecasts are based on assumptions that fuel and other commodity prices will decline in 2024 and 2025, and that interest rates will decline in major economies. Average annual oil prices are projected to decline by around 2.3% in 2024, while non-fuel commodity prices are projected to decline by 0.9%. IMF technical staff projections indicate that monetary policy interest rates at the U.S. Federal Reserve, the European Central Bank, and the Bank of England will remain at current levels through the second half of 2024, before declining gradually as inflation approaches the target level. Although, for the moment, the monetary policy of the Central Banks remains largely unchanged (the Federal Reserve has kept rates constant and the ECB has lowered them by only 0.25%). The interest rate hikes implemented by central banks in 2022 and 2023 have not, for now, had a very negative effect on the economy in general. At the same time, in many cases, as inflation declines and economies are better able to absorb the effects of fiscal adjustment, renewed attention needs to be paid to fiscal consolidation in order to restore fiscal capacity to address future shocks, raise revenue for new spending priorities, and curb the rise in public debt. Targeted and orderly structural reforms would enhance productivity growth and debt sustainability, as well as accelerate convergence to higher income levels. The efficiency of multilateral coordination must be increased, inter alia, to facilitate debt resolution, avoid critical situations caused by over-indebtedness and create space for necessary investments, as well as to mitigate the effects of climate change.

The energy sector

The energy sector has significantly recovered to pre-pandemic demand levels. Liquid fuels have reached a demand of 99.4 million barrels per day in 2022 (94.2 million barrels in 2021) and this growth is estimated to remain robust in 2023, with an average demand of 101.5 million barrels per day (Source: American Energy Agency), estimated to reach levels of 113.8 million barrels per day by the end of 2030.

Based on current market conditions and policies, global oil demand is projected to stabilize at around 106 mb/d by the end of the decade, according to the IEA, amid an accelerated transition to clean energy technologies. Rising sales of electric vehicles and continued improvements in vehicle efficiency, as well as the replacement of oil with renewables or gas in the power sector, will significantly curb the use of oil in road transport and electricity generation. However, total oil demand is projected to rise by 3.2 mb/d between 2023 and 2030, supported by increased use of jet fuel and feedstocks from the booming petrochemical sector. In fact, consumption of naphtha, liquefied petroleum gas (LPG) and ethane will increase by 3.7 mb/d over the forecast period, also driven by growth in the use of LPG for clean cooking.

As for natural gas, its global consumption is expected to continue to increase compared to 2022. Natural gas will continue to play a very important role in the decarbonization of energy, replacing other more polluting fossil fuels, and is expected to grow by 10% annually, according to McKinsey Energy 2022, in the period 2022-2040. Natural gas has recently been approved for inclusion in the energy sources included in the European Union taxonomy.

Energy commodity prices have also been reaching price increase scenarios in recent years. Oil has gone from USD 50 a barrel at the end of 2020 to USD 116 at the end of June 2022, being around USD 80 a barrel in 2023 and remaining at those levels in 2024. As for natural gas, the price at Henry Hub closed at USD 2.6 per MBtu in June 2023, and will be at the same level at the close of June 2024. The main analysts and institutions that monitor the evolution of energy commodities foresee a sustained scenario of high prices for energy and its derivatives, with periods of volatility affected by the war in Ukraine and other macroeconomic uncertainties.

The scenario arising from the conflict in Ukraine is involving important decisions in Europe regarding the diversification of its supply of energy, oil and natural gas, which will translate into additional investments to supply European energy demand, replacing supplies originating in Russia, as we will see later in the section on contract awards. Prior to the disruption caused by the conflict in Ukraine, major players in the sector, both private companies and domestic firms, were pointing to a strong investment cycle resulting from a lack of investment since the mid-2010s and supported by a scenario of high crude oil and natural gas prices.

These three factors (geopolitical scenario, lack of recent investment and high price scenario) herald significant investment activity in the energy industry in the coming years, even in a scenario of lower economic growth.

Técnicas Reunidas

This general macroeconomic environment and the energy industry in particular have generated a flurry of business opportunities that the company hopes to materialize in the short term in new projects. Contract awards to date amount to approximately EUR 1,402 million, with projects diversified by product and geographical region, in which Técnicas Reunidas has significantly reduced the risk associated with construction.

The company has stabilized its quarterly turnover above EUR 1,000 million for the last four quarters. That is, the projects are already progressing at a pre-pandemic pace.

Main financial figures

In the first half of 2024, sales decreased slightly (4%) compared to the same period of the previous financial year, however the operating revenue increased by 9% compared to the first half of the year, amounting to EUR 84,192 thousand. The improvement in processes has led to an improvement in the operating margin, which has gone from 3.56% to 4.02%.

The first half of 2024 ended with a net cash position of EUR 318 million. The company has continued its policy of reducing its financial debt. The average variable interest rate applicable to the debt was 2.04% in 2024, compared to 2.08% in 2023. The backlog as of June 30, 2023 amounts to EUR 10,963 million.

Launch of the strategic plan - May 2024.

The company has reformulated its strategy for the next 4 years, under the name SALTA, focusing on more profitable growth, with higher margins and lower risk.

SALTA will establish a new organizational model in which 5 Business Units will be defined: 1) Engineering & Services, 2) Power, 3) North America, 4) Europe & RoW and 5) Middle East & APAC.

The five new business units will implement Técnicas Reunidas' growth plan for the coming financial years.

This growth will be based on 7 key pillars: Engineering and Services, North America, Energy Transition (Track), digitalization, Sinopec and other alliances, strengthening local presence and talent:

- 1) **Intensifying the provision of services.** Creation of a specific business unit to boost the engineering and project management services business.
- 2) **North America.** The recent launch of the North American office will allow us to capture the potential of the local market with a strong focus on decarbonization.
- 3) **Energy Transition.** Focus on low-emission technologies, especially hydrogen and its derivatives, carbon capture and sustainable fuels.
- 4) **Digitalization.** Increasing efficiency and productivity through innovation in digital tools.

- 5) **Alliance with Sinopec and new alliances.** Strengthening tendering and project execution thanks to the partnership with Sinopec and planned future partnerships.
- 6) **Retention of high-value talent.** Internal programs that reinforce the retention of the most qualified personnel and planning their growth in a more personalized way.
- 7) **Reorganization of the management model:** Intensifying the local presence of TR in each of the defined geographical implementation units.

With the implementation of SALTA's new strategy and the expected strength in demand for its engineering and project implementation services, Técnicas Reunidas expects to multiply its operating revenue (EBIT) by 2.4 in the coming years, reaching a figure of around EUR 380 million in 2028 (compared to EUR 157 million at the end of 2023).

Consolidated sales are also expected to increase to EUR 5,000 million in 2028, compared to EUR 4,135 million at the end of last year, with exponential growth in its Engineering and Services business (which will contribute 60% of sales growth). All of this will allow it to significantly strengthen and improve its profitability by raising the EBIT Margin on Sales to 8%, which means also doubling the 4% margin level with which it closed 2023 and is expected to end 2024.

In addition, the new business objectives will be achieved in conjunction with an increase in the company's financial strength. TR will have the capacity to repay the full amount of the equity loan granted by SEPI during the pandemic in 2026 and maintain, after this repayment, a level of equity of more than EUR 500 million. The Group will also continue its progressive trend towards financial deleveraging over the period, which will allow the debt ratio (Gross Debt / EBITDA) to be placed at around 3.5 times in 2025.

Within this context of growth in revenue and financial strength, Técnicas Reunidas will resume an attractive shareholder remuneration policy, consisting of setting its pay-out (percentage of profits allocated to dividends) at least at 30% in 2026. The objective will be to gradually increase this remuneration in subsequent financial years until reaching, at least, the "pay-out" tiers consolidated in the past.

Main contracts awarded by Técnicas Reunidas

During the first half of 2024, contracts awarded amounted to EUR 1,402 million. The main project accounting for this amount is a new EPC contract with Aramco for the expansion of the Jafurah gas field.

In July 2024, Saudi Aramco, one of the world's leading integrated energy and chemical companies, has signed a non-binding letter of intent with a joint venture formed by Técnicas Reunidas (60%) and the Chinese group Sinopec (40%), for the award of the potential development of three gas compression plants in Jafurah, the largest unconventional gas field in the Kingdom of Saudi Arabia. The letter of intent also includes possible works to install a 230 kV electrical connection in the area of the gas plant substation and improve the water pumping system. If awarded, the total value of the project is estimated at approximately USD 2,240 million, of which 60% would correspond to Técnicas Reunidas. Its implementation would require about 44 months and the dedication of more than 400 engineers, many of them specialized in chemical processes.

The energy transition

The first half of 2024 has seen the continued growth of Técnicas Reunidas' commitment to the energy transition and decarbonization. This commitment is included in its strategy called Track, which covers four activities:

- The execution of Front End Engineering and Design (FEED) services and turnkey project implementation services. Through this line of work, Técnicas Reunidas offers its traditional services for the design and construction of important industrial plants based on low-emission technologies.
- Engineering services for early stages of project development. The intense activity of the energy and infrastructure industry in decarbonization projects is generating a high demand for engineering services for the definition of projects. Técnicas Reunidas is providing services in this area, such as developing the technical scope of conceptual and feasibility studies or analyzing available technologies for specific processes.
- Project structuring: the expected growth in low-emission technology projects to accelerate decarbonization requires well-structured investment opportunities. Técnicas Reunidas is working on the development and co-development of projects with industrial partners; current opportunities amount to EUR 4,000 million of investment.
- Recurring services associated with the decarbonization of industrial facilities. Specifically, the outsourcing of carbon management for large industrial emitters and the implementation of methane emissions management frameworks.

The investment in Track is providing important results. Since the start of its activity, and until the end of June 2024, Técnicas Reunidas has received EUR 319 million in contracts for low-emission technologies. These are engineering services contracts for projects in the hydrogen, biofuels or carbon capture value chain.

Some of the decarbonization projects awarded to Técnicas Reunidas are as follows:

- In the hydrogen value chain:
 - For a confidential client, the development of basic and detailed engineering for two green ammonia plants with a hydrogen production capacity using over 300 MW electrolyzers.
 - For Atlas Agro, implementation of the FEED of a green fertilizer plant located on the west coast of the United States, with a production capacity of 650,000 tons per year.
 - For Fortescue, and in Norway, the implementation of the FEED for a green ammonia plant with a green hydrogen production capacity using 300 MW electrolyzers.
 - For Copenhagen Infrastructure Partners, the implementation of the FEED for a green hydrogen production plant using 500 MW electrolyzers in Andorra (Teruel).
 - In the first six months of 2024, Técnicas Reunidas has been awarded three engineering services projects related to renewable hydrogen and its derivatives, all confidential. These projects total EUR 5.7 million and correspond to facilities in Norway, Brazil, Finland and Spain.
- In biofuels:
 - For a confidential client, the construction of a semi-industrial demo plant for the production of synthetic fuels from green hydrogen and carbon captured from industrial processes.
 - For CEPESA, at its facilities in La Rábida, Huelva, the engineering and purchase of equipment and materials for the project to produce biodiesel and sustainable aviation fuel (SAF).
 - For Advanced Methanol Amsterdam, implementation of the FEED of a project for the production of biomethanol from domestic waste and forest biomass.
 - For a confidential client, the execution of basic engineering services for the auxiliary facilities of a biodiesel and SAF production project.
 - In the first six months of 2024, Técnicas Reunidas has been awarded two engineering services projects related to biofuels and synthetic fuels, all confidential. These projects correspond to facilities in Spain and Denmark.
- In carbon capture:
 - For a confidential client, pre-FEED engineering services for carbon capture at steam production plants.
 - For a confidential client, pre-FEED engineering services for a blue ammonia production plant.
 - For SSE, the implementation of the FEED for carbon capture at a combined cycle power plant located in Peterhead, Scotland.
 - For a confidential client, pre-FEED engineering services for a blue hydrogen production plant for subsequent use in electricity generation in a combined cycle.
 - In the first six months of 2024, Técnicas Reunidas has been awarded two engineering services projects related to carbon capture facilities, all confidential. These projects correspond to facilities in Spain and the United States.

Furthermore, Técnicas Reunidas is reaching collaboration agreements with the main licensors of technologies associated with the energy transition and decarbonization.

Within Track, and with the aim of establishing platforms for the growth of its operations, in 2023 Técnicas Reunidas:

- Has signed an agreement with the International Finance Corporation (IFC), an entity under the World Bank, with the aim of promoting and developing projects based on low-emission technologies in the countries of Eastern Europe.
- Has established a project structuring team in Houston, with the aim of taking advantage of the incentives established within the Inflation Reduction Act.

Also within Track, Técnicas Reunidas is developing the channels and strategies to consolidate an important position in the steel and cement industries, with significant goals and challenges for decarbonization.

For Técnicas Reunidas, the energy transition is a strategic line of growth and is expected to make a significant contribution to turnover in the second half of this decade.

Research and Development Activities

Técnicas Reunidas continues its firm commitment to the research, development and scaling of new technologies.

More than 70 graduates and doctors from different disciplines work at the José Lladó Technology Center, and Technological Research and Development projects are carried out. In addition, the company provides services for the development and scaling of technologies, technical assistance, collaboration in the transfer of research results between the different Public Research Centers, Technology Centers and Técnicas Reunidas, and promotes and participates in cooperative research programs between companies.

Técnicas Reunidas' R&D expenditure in 2023 was over EUR 12 million. During 2024, Técnicas Reunidas has continued working on the following Spanish and European technologies and research and development projects:

Circular Economy

- HALOMET® Technology: treatment of municipal waste incineration residues for the recovery of Zn and other metals.
- SEA4VALUE Project: European project (HORIZON 2020) to develop technologies for the recovery of valuable metals from brines produced at desalination plants.
- DUST Project: development of technology for the treatment and direct recovery of steel dust, with the main objective of recovering the zinc present in said dust.
- ECOTRON Project: recycling of electronic devices, the organic substrates and valuable metals present therein.
- ECLIPSE Project: recycling and recovery of complex polymeric waste to obtain new polymers.
- Plastics2Olefins Project: participation in a consortium to design a Plastic Product Recycling Demo Plant to obtain high-value products. TR is involved in engineering development, process optimization and technology integration.
- RELOAD Project: participation within the Strategic Projects for Economic Recovery and Transformation (PERTE) for the development of electric vehicles in the development of technologies for the recovery of metals and critical raw materials from batteries, super magnets and other components of electric cars.
- SUNRISE Project: recovery and reuse of critical materials and components in the photovoltaic solar value chain, increasing their value and improving the environmental impact.

Hydrogen

- SHINEFLEET Project: covers the entire hydrogen value chain, from its production to its final use, including the development of compact renewable and blue hydrogen generators for the heavy transport industry.
- ZEPPELIN Project: study and development of innovative and efficient technological solutions for the production and storage of green hydrogen based on the circular economy. Técnicas Reunidas addresses the production of hydrogen from waste using catalytic and thermochemical techniques.
- UNDERGY Project: studies technologies for the development of seasonal storage of renewable energy with green hydrogen integrated into a smart grid. The main axes are: study of underground storage of renewable energy, using green hydrogen and the creation of an efficient energy management system.
- HYMET Project: development of new technologies applicable to the decarbonization of the steel industry and the revaluation of its by-products. Técnicas Reunidas is studying the recovery of waste using a reduction reactor; the generation of green hydrogen, and the study of the recovery of captured carbon dioxide.
- EFISOEC Project: development of technology for the production of green hydrogen using SOEC (Solid Oxide Electrolyzer Cell) technology.
- HY2DEC Project: development and validation of new emerging technologies for the production and use of green hydrogen and oxygen, as well as CO₂ capture, and their integration into the processes of Spanish intensive industry.
- POWER2HYPE Project: development and demonstration of a new process for the production of hydrogen peroxide, changing the established chemical route that requires energy to a sustainable electrochemistry.

Critical Raw Materials

- PHOS4LIFE® Technology: technology for the production of technical grade phosphoric acid from sewage sludge ash from wastewater treatment plants.
- RARETECH® Technology: technology for the production of rare earth concentrates from monazite-type minerals.
- RECYCLION® Technology: Li, Co, Ni, Mn and graphite recovery technology from electric car batteries.
- BIORECOVER Project: recovery of rare earths and platinum from primary and secondary sources.
- MINETHIC Project: development of technologies for obtaining Critical Raw Materials essential for the success of the energy transition.

Biorefining

- LEVAPLUS Project: development of technology that enables the recovery of raw materials rich in C6 sugars for the production of carboxylic acids for obtaining chemical products, polymers or drugs, among other things.

Nuclear fusion

- FUSION FUTURE Project: research into new materials, processes and advanced technologies that contribute to addressing the main issues on the path towards nuclear fusion energy.

There is currently a portfolio of business opportunities for the industrial implementation of all of these technologies in the coming years.

2. Main risks and uncertainties for the 2024 financial year

Técnicas Reunidas' activity is very closely linked to the evolution of energy prices. In recent months, there has been a recovery in oil prices and volatility in gas prices, especially in Europe, due to the uncertainties generated by the war in Ukraine.

This increase in the price of energy should translate into an increase in the investment rate by clients and therefore in the awarding of new projects that are expected to take place during 2024. However, market volatility and uncertainty could affect our clients' decisions in the processes of awarding and implementing their projects.

As regards the raw materials that Técnicas Reunidas uses in the implementation of its projects (copper, steel, nickel, etc.), these have experienced certain supply tensions due mainly to the recovery of activity in the Asian markets, as well as the consequences of the war in Ukraine. Although Técnicas Reunidas uses active risk management procedures associated with these supplies, it is still exposed to the variations that may occur in these markets.

Other risks for Técnicas Reunidas include geopolitical risk, volatility in the currency and interest rate markets, the ability of its suppliers to meet orders, the evolution of ongoing litigation, the emergence of new competitors or the availability of engineering, construction and assembly resources, among others.

3. Alternative Performance Measures

In addition to the financial information presented in this document and prepared under IFRS-EU, the Group includes certain alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority (“ESMA”) on October 05, 2015 regarding alternative performance measures (the “ESMA Guidelines” and the “MAR”). The Group believes that the presentation of the Market Abuse Regulations (MAR) included in this document complies with the ESMA Guidelines and with ESMA’s “Q&A regarding the Alternative Performance Measures Guidelines” published on April 17, 2020 (the “ESMA Q&A”).

Additionally, Management uses these MAR in making financial, operational and planning decisions, as well as to evaluate the Group’s performance. In this regard, Management presents the following MAR that it considers useful and appropriate for investors’ decision-making and which provide greater reliability regarding the Group’s performance.

EBITDA

EBITDA is used as an indicator of the Group’s ability to generate profits, considering only its productive activity, eliminating amortization and depreciation, as well as the effect of financial results and income tax. It is calculated by deducting the depreciation and amortization expense and the charges for impairment losses for the financial year from the operating revenue.

EBITDA is used to monitor the Group’s performance and profitability and to set operational and strategic goals. It is also a widely used measure by the investment community to evaluate the performance of companies.

Given the above limitations, EBITDA should not be considered as a measure of discretionary cash available for the Group to invest, or as a measure of cash that will be available for the Group to meet its obligations.

The following table provides a reconciliation of our revenues to EBITDA for the years indicated:

		Millions of euros	
		Six-month period ended June 30 (unaudited)	
		2024	2023
Income	Sales and other income	2,100.2	2,179.0
Operating costs	Procurement costs, personnel costs, other operating expenses and amortization and impairment	(2,016.0)	(2,101.7)
Operating profit	Operating income - expenses	84.2	77.3
Amortization and impairment expense	Provision for amortization of fixed assets and impairment	15.0	12.9
EBITDA	Operating profit excluding amortization and depreciation	99.2	90.3

EBIT (“Earnings Before Interest and Taxes”)

Earnings Before Interest and Taxes (EBIT) is an indicator of the Group's operating revenue without taking into account financial and tax revenue. EBIT is equivalent to “operating profit”.

The following table provides a reconciliation of our revenues to EBIT for the periods indicated:

		Millions of euros	
		Six-month period ended June 30 (unaudited)	
		2024	2023
EBITDA	Operating profit excluding amortization and depreciation	99.2	90.3
Amortization and impairment expense	Provision for amortization of fixed assets and impairment	(15.0)	(12.9)
EBIT	Operating profit	84.2	77.3

The Group's Management confirms that there has been no change in criteria in the definition, reconciliation or use of this indicator compared to that used in the previous financial year.

Operating margin percentage (EBIT) on ordinary income

The percentage ratio of the operating margin (EBT) on ordinary income is calculated by dividing the Group's operating profit (without taking into account financial and tax revenue) by the total ordinary income figure.

The calculation is as follows:

		Millions of euros	
		Six-month period ended June 30 (unaudited)	
		2024	2023
EBIT	Operating profit excluding amortization and depreciation	84.2	77.3
Sales	Ordinary income	2,094.3	2,171.6
EBIT / Sales	% operating margin on sales	4.02%	3.56%

The Group's Management confirms that there has been no change in criteria in the definition, reconciliation or use of this indicator compared to that used in the previous financial year.

Net Cash

Net cash is the alternative performance measure used by management to measure the Group's level of net liquidity for the purposes of compliance with agreements related to financial debt. It is calculated as the difference between "cash and cash equivalents" plus "financial assets at fair value through profit or loss" less "indebtedness" (excluding "indebtedness associated with rights to use leased assets" and "equity loans"). Cash and cash equivalents include cash on hand, sight deposits with banks and other highly liquid short-term investments with an original maturity of three months or less.

The following table provides a reconciliation of our cash and cash equivalents with net cash:

		Millions of euros	
		As of June 30, 2024 (unaudited)	As of December 31, 2023
Cash and cash equivalents	Cash on hand, sight deposits at credit institutions and other short-term highly liquid investments with a maturity of 3 months or less	941.3	1,033.7
Financial debt	Long and short term debt with credit institutions	(623.2)	(685.9)
Net Cash	Cash and cash equivalents, plus financial assets at fair value, less financial debt excluding equity loan	318.1	347.8

Furthermore, the Group's Management confirms that there has been no change in criteria in the definition, reconciliation or use of this indicator compared to that used in the previous financial year.

Portfolio

The Group calculates the backlog as the estimated amount of contracted revenue that the Group expects to translate into future revenue from existing contracts, adjusted to reflect changes in contract scope and exchange rate fluctuations in non-euro currencies applicable to the projects. The backlog calculation also includes the estimated amount of revenue from contracts that have been signed, but for which the scope of services and therefore the price have not yet been determined. In this case, the Group makes a conservative revenue estimate and includes it as an item in the backlog.

The Group considers its backlog to be a relevant indicator of the pace of development of its activities and monitors it to plan its needs and adjust its expectations, budgets and forecasts. The volume and timing of implementation of work in the Group's backlog are relevant for the purposes of anticipating the Group's operating and financing needs, and its ability to execute its backlog depends on its ability to meet such operating and financing needs.

Based on the above, the backlog amounts to EUR 10,963 million as of June 30, 2024 (EUR 9,354.86 million as of December 31, 2023).

Variable average interest rate

The average variable interest rates applicable to the remaining debt have been as follows:

	2024	2023
	Euros	EUR
Floating rate	2.04%	2.08%

Leverage ratio

The leverage ratio is calculated as the percentage between “indebtedness” (excluding “indebtedness associated with rights of use of leased assets” and “equity loans”) and the net worth attributable to shareholders.

The calculation is as follows:

		Millions of euros	
		As of June 30, 2024 (unaudited)	As of December 31, 2023
Financial debt	Long and short term debt with credit institutions	623.2	685.9
Equity	Equity attributable to shareholders	343.5	313.7
Leverage	Financial debt / Net worth	181.42%	218.67%

Furthermore, the Group's Management confirms that there has been no change in criteria in the definition, reconciliation or use of this indicator compared to that used in the previous financial year.

This version of the interim financial statements is a free translation from the original, which is prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the accounts takes precedence over this translation.

TÉCNICAS REUNIDAS, S.A.

Interim financial statements for the six-month period ended 30 June 2024

TÉCNICAS REUNIDAS, S.A.

INTERIM CONDENSED BALANCE SHEET AT 30 JUNE 2024

(Expressed in thousands of euros)

BALANCE SHEET AT 30 JUNE 2024

ASSETS	Note	At 30 June 2024	At 31 December 2023
NON-CURRENT ASSETS		608,703	615,833
Intangible assets		44,452	45,250
Property, plant and equipment		14,830	15,689
Non-current investments in Group companies and associates		183,825	180,128
Non-current financial investments		88,611	89,427
Shares and non-current equity interests		197	197
Loans to third parties		130	289
Derivatives		0	0
Other financial assets		88,284	88,941
Deferred tax assets		276,985	285,339
CURRENT ASSETS		3,576,222	3,256,694
Inventories		6,536	6,536
Advances to suppliers		87,578	74,184
Trade and other receivables		1,965,990	1,864,530
Current investments in Group companies and associates		812,224	629,352
Current financial investments		7,461	36,373
Derivatives		3,684	25,968
Other financial assets		3,777	10,405
Cash and cash equivalents		696,433	645,718
TOTAL ASSETS		4,184,925	3,872,526

TÉCNICAS REUNIDAS, S.A.
BALANCE SHEET AT 30 JUNE 2024
(Expressed in thousands of euros)

EQUITY AND LIABILITIES	Note	At 30 June 2024	At 31 December 2023
EQUITY		536,493	500,580
Shareholders' equity		527,288	481,932
Share capital		8,030	8,030
Registered share capital		8,030	8,030
Share premium		156,343	156,343
Reserves		391,667	252,324
Legal and statutory reserves		1,137	1,137
Other reserves		390,529	251,188
(Treasury shares)		(73,731)	(73,833)
Profit/(Loss) for the year		44,980	139,067
Valuation adjustments		9,204	18,648
Hedging transactions		1,566	13,392
Translation differences		7,638	5,256
NON-CURRENT LIABILITIES		824,881	867,687
Participating loans		175,000	175,000
Long-term provisions		343,593	284,492
Other provisions		343,592	284,492
Non-current payables		281,671	381,499
Bank borrowings		275,025	375,054
Derivatives		798	0
Other financial liabilities		5,847	6,445
Deferred tax liabilities		24,617	26,697
CURRENT LIABILITIES		2,823,551	2,504,259
Current provisions		78	78
Current payables		347,658	306,189
Bank borrowings		342,062	304,094
Derivatives		4,755	1,048
Other financial liabilities		841	1,048
Current payables to Group companies and associates		275,081	65,044
Trade and other payables		2,200,803	2,133,017
TOTAL EQUITY AND LIABILITIES		4,184,925	3,872,526

TÉCNICAS REUNIDAS, S.A.

INCOME STATEMENT FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(Expressed in thousands of euros)

	Note	Six-month period ended 30 June	
		2024	2023
Revenue		1,273,389	1,442,323
Sales and services rendered		1,273,389	1,442,323
Changes in inventories of finished goods and work in progress		0	713
Procurements		(847,319)	(1,065,157)
Consumption of merchandise		(847,319)	(1,065,157)
Other operating income		5,485	6,664
Non-core and other current operating income		3,780	2,808
Income-related grants transferred to profit or loss		1,706	3,856
Staff costs		(192,684)	(160,423)
Wages, salaries and similar expenses		(162,336)	(133,818)
Employee benefit costs		(29,196)	(25,390)
Other employee benefits		(1,152)	(1,215)
Other operating expenses		(142,255)	(125,688)
Outside services		(142,925)	(117,571)
Taxes other than income tax		(2,730)	(1,242)
Losses on, impairment of and change in allowances for trade receivables		3,831	(6,085)
Other current operating expenses		(432)	(790)
Depreciation and amortisation charge		(2,803)	(1,647)
Impairment and gains/(losses) on disposal of non-current assets		0	148
PROFIT/(LOSS) FROM OPERATIONS		93,812	96,933
Finance income	4	28,758	15,817
Finance costs		(25,843)	(24,803)
Exchange differences		14,213	(4,190)
Impairment and gains/(losses) on disposal of financial instruments	4	(55,409)	(49)
FINANCIAL PROFIT/(LOSS)		(38,281)	(13,225)
PROFIT/(LOSS) BEFORE TAX		55,531	83,708
Income tax		(10,551)	(29,194)
PROFIT/(LOSS) FOR THE YEAR		44,980	54,514

TÉCNICAS REUNIDAS, S.A.**STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024****(Expressed in thousands of euros)****A) STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

	Six-month period ended 30 June	
	2024	2023
Profit/(Loss) for the period per income statement	44,980	54,514
Income and expense recognised directly in equity		
Arising from cash-flow hedges	(24,475)	4,483
Arising on actuarial gains and losses and other adjustments	2,382	(3,880)
Tax effect	6,119	(1,120)
Total income and expense recognised directly in equity	(15,974)	(517)
Transfers to the income statement		
Arising from cash-flow hedges	8,710	692
Tax effect	(2,180)	(172)
Total transfers to the income statement	6,530	520
TOTAL RECOGNISED INCOME AND EXPENSES	35,536	54,517

TÉCNICAS REUNIDAS, S.A.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

B) STATEMENT OF CHANGES IN TOTAL EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(Expressed in thousands of euros)

	Share capital	Share premium	Reserves	(Treasury shares)	Prior years' profit/(loss)	Profit/(Loss) for the year	(Interim dividend)	Valuation adjustments	TOTAL
ADJUSTED BALANCE AT BEGINNING OF 2023	5,590	8,691	254,153	(72,909)	-	3,063	-	3,660	202,248
Total recognised income and expense	-	-	-	-	-	54,514	-	3	54,517
Transactions with shareholders or owners	-	-	-	-	-	-	-	-	-
- Capital increase	2,440	147,652	(7,472)	-	-	-	-	-	142,621
- Dividend distribution	-	-	-	-	-	-	-	-	-
- Other transactions with shareholders or owners	-	-	860	(980)	-	-	-	-	(120)
Other changes in equity	-	-	-	-	-	-	-	-	-
- Distribution of profit	-	-	3,063	-	-	(3,063)	-	-	-
- Other changes	-	-	-	-	-	-	-	1	-
BALANCE AT JUNE 2023	8,030	156,343	250,603	(73,889)	-	54,514	-	3,664	399,265
ADJUSTED BALANCE AT BEGINNING OF 2024	8,030	156,343	252,325	(73,833)	-	139,067	-	18,648	500,580
Total recognised income and expense	-	-	-	-	-	44,980	-	(9,444)	35,356
Transactions with shareholders or owners	-	-	-	-	-	-	-	-	-
- Capital increase	-	-	-	-	-	-	-	-	-
- Dividend distribution	-	-	-	-	-	-	-	-	-
- Other transactions with shareholders or owners	-	-	275	102	-	-	-	-	377
Other changes in equity	-	-	-	-	-	-	-	-	-
- Distribution of profit	-	-	139,067	-	-	(139,067)	-	-	-
- Other changes	-	-	-	-	-	-	-	-	-
BALANCE AT JUNE 2024	8,030	156,343	391,667	(73,731)	-	44,980	-	9,204	536,493

TÉCNICAS REUNIDAS, S.A.

STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(Expressed in thousands of euros)

	Six-month period ended 30 June	
	2024	2023
Cash flows from operating activities		
1, Profit/(Loss) for the year before tax	55,531	83,708
2, Adjustments for:		
- Depreciation and amortisation charge	2,803	1,647
- Change in provisions	-	-
- Impairment losses	55,410	6,085
- Gains/(Losses) on derecognition and disposal of non-current assets	-	(148)
- Finance income	(28,758)	(15,817)
- Finance costs	25,843	24,802
- Change in gains/(losses) on derivatives	8,710	692
- Other income and expenses	(14,213)	-
3, Changes in working capital:		
- Inventories and advances	(13,394)	(42,216)
- Trade and other receivables	(50,492)	80,705
- Other accounts receivable	-	(219)
- Trade payables	75,125	(83,735)
- Other financial assets	643	2,047
- Derivatives settlements	2,315	9,127
4, Other cash flows from operating activities		
- Interest paid	(31,733)	(24,112)
- Dividends received	6,485	-
- Interest received	7,831	15,817
- Income Tax paid	(2,739)	-
5, Cash flows from operating activities	99,367	58,384
Cash flows from investing activities		
6, Payments due to investments		
- Acquisition of property, plant and equipment	(1,139)	(8,234)
- Acquisition of intangible assets	(19)	(20)
- Investments in Group companies and associates	(5)	-
7, Proceeds from disposals		
- Property, plant and equipment	2	396
8, Cash flows from investing activities	(1,161)	(7,859)
Cash flows from financing activities		
9, Proceeds and payments relating to equity instruments		
- Purchase of equity instruments	378	(121)
- Capital increase	-	150,093
- Costs associated with capital increase	-	(7,472)
10, Proceeds and payments relating to financial liability instruments		
a) Issuance		
- Bank borrowings	184,178	160,926
- Borrowings from Group companies and associates	268,310	62,947
- Other payables		
b) Return		
- Bank borrowings	(241,573)	(212,118)
- Borrowings from Group companies and associates	(258,784)	(121,930)
12, Cash flows from financing activities	(47,491)	32,324
Net change in cash and cash equivalents	50,715	82,849
Cash and cash equivalents at beginning of year	645,718	474,503
Cash and cash equivalents at end of year	696,433	557,352
	50,715	82,849