

MAIN HIGHLIGHTS

- YTD backlog at €10.2 billion
- Q1 2023 sales at €1,119 million (+45% vs. Q1 2022)
- Q1 2023 EBIT at €39 million (+447% vs. Q1 2022)
- Q1 2023 net profit at €20 million
- Net cash position of €142 million at the end of March 2023

Juan Lladó, Técnicas Reunidas' Executive Chairman, commented:

“We have just successfully closed this week the 150 million euro capital increase that was announced right after Easter. First of all, I want to thank all our shareholders for placing their trust in the present and future of Técnicas Reunidas. I am fully convinced we will achieve the results that they expect and deserve.

Now, after this capital increase, TR is ready and well placed to benefit from its quality engineering and strong project management, under the greatly improved energy market scenario. We wanted to present Técnicas Reunidas to our customers with a stronger balance sheet and we have accomplished it. We can focus now on the key levers of our business: contracting at the right terms; executing with the lowest costs and risks; and delivering projects to satisfied clients that will want to repeat with us.

The first quarter results show that we are moving in the right direction, despite the slowdown in awards after the start of the Ukraine war. Sales continue to be above the 1 billion level, operating margins continue rising towards our mid-term objectives; and net profits keep accruing. With these trends, we can confidently reaffirm our full year guidance, and work towards our healthy growth ambitions.”

Highlights € million	Q1 2023	Q1 2022	2022
YTD Backlog	10,198	10,948	10,732
Net Revenues	1,119	773	4,233
EBIT	38.9	7.1	8.7
<i>Margin</i>	3.5%	0.9%	0.2%
Net Profit ⁽²⁾	20.4	1.2	-34.5
<i>Margin</i>	1.8%	0.2%	-0.8%
Net Cash Position ⁽¹⁾	142	61	158

⁽¹⁾ Figures classified as Alternative Performance Metrics ("APMs"). See appendix.

⁽²⁾ Profit for the year from continuing operations

Q1 2023 RESULTS SUMMARY

YTD backlog, that includes all the awards already secured since the beginning of 2023, reached €10.2 billion. New orders in 2023 reached €1.7 billion. After several years of delays of Final Investment Decisions (FID's) by our clients, we have seen an acceleration of bidding processes leading to new awards in the first months of 2023.

The **main projects** added to the backlog in Q1 2023 were: the world class ammonia complex for Kazazot in Kazakhstan and the regasification terminal for Hanseatic in Germany.

Moreover, the company signed important engineering contracts and agreements for future project developments in the low carbon technologies segment. Among others, TR signed contracts with Cepsa, Repsol or Atlas Agro, that show the ramp up of activity in this area.

Total sales reached €1,119 million in Q1 2023, with a 45% increase vs. Q1 2022. This high growth rate shows the strong recovery of operations, despite the highly volatile scenario initially experienced in the first half of 2022, that affected raw material prices and workforce availability. The company has progressively moved back to quarterly figures above €1 billion and expects this pre-Covid sales level to be sustained in coming quarters.

EBIT in Q1 2023 stood at €38.9 million, representing an **EBIT margin** for Q1 2023 of 3.5%, which shows the steady recovery of underlying margins quarter after quarter.

The **net cash position** at the end of Q1 2023 stood at €142 million, that compares with €61 million at the end of Q1 2022. The Q1 2023 figure does not include the

proceeds from the recent capital increase, that was closed during the second quarter of 2023.

Net profit for Q1 2023 period reached €20.4 million.

OUTLOOK AND GUIDANCE FOR 2023

The company currently forecasts for 2023:

- Sales at €4 billion.
- EBIT margin at 4%.

Webcast results details

Técnicas Reunidas will hold a conference call on 12th May at 11:00 CET. It can be accessed through the link in its homepage: <http://www.tecnicasreunidas.es/en/>

BACKLOG AND ORDER INTAKE

€ million	Q1 2023	Q1 2022	2022
YTD Backlog	10,198	10,948	10,732
Order intake	1,670	595	1,686

Backlog

Refining		
Project	Country	Client
Sitra refinery	Bahrain	BAPCO
Duqm refinery	Oman	DRPIC
Environmental enhancement project	Chile	ENAP
Exxon Mobil refinery	Singapore	Exxon Mobil
Minatitlán refinery	Mexico	Pemex
Baku refinery	Azerbaijan	SOCAR
Hydrotreatment and hydrogen units	Argentina	YPF
Hassi Messaoud refinery	Algeria	Sonatrach
Natural Gas		
Project	Country	Client
Combined cycles	Mexico	CFE
Sewa	United Arab Emirates	Sumitomo / GE EFS
Cogeneration plant	Canada	Suncor
Energy efficiency	Colombia	Termocandelaria
North Field package 3	Qatar	Qatargas
North Field package 4	Qatar	Qatargas
Marjan	Saudi Arabia	Saudi Aramco
Dalma	United Arab Emirates	ADNOC
Das Island	United Arab Emirates	ADNOC LNG
GT5	Kuwait	KNPC
Haradh	Saudi Arabia	Saudi Aramco
Petrochemicals		
Project	Country	Client
PTA Complex	Turkey	SASA Polyester
Petrochemical complex	Poland	Orlen
Ethylene plant	Belgium	INEOS
Low Carbon Technologies		
Project	Country	Client
AMA	Netherlands	G.I.D Dynamics
Other		
Project	Country	Client
Bu Hasa	United Arab Emirates	ADNOC Onshore

With the addition of the recent awards in 2023, the YTD backlog amounted to €10.2 billion.

Refining comprised 32% of the total backlog, natural gas accounted for 36%, petrochemicals covered 27%, low carbon technologies amounted 4% and other projects were just 1% of the backlog.

The backlog includes the Hassi Messaoud Project. The JV, Samsung and Técnicas Reunidas, is exploring together with the client, Sonatrach, how to relaunch the project and potential alternatives.

Order intake

YTD 2023 **order intake** reached €1.7 billion. The main projects awarded in our traditional business were from the following clients:

- **Hanseatic Energy Hub**, that awarded in April a project for the construction of the regasification terminal in Hamburg (Germany) for liquefied gases to the consortium formed by Técnicas Reunidas, FCC and Entrade GMBH. The development of the facility will involve a total investment of close to €1 billion. The scope of Técnicas Reunidas amounts to €500 million. Técnicas Reunidas will design the regasification terminal and the two storage tanks, each with a capacity of 240,000 cubic meters, and will undertake all the equipment and materials supply work for the project. The construction stage and assembly activities will be conducted by FCC and Entrade.
- **Kazazot**, the leading company in the fertilizer industry in Kazakhstan selected TR in January to develop a new ammonia, urea, nitric acid and ammonium nitrate complex. With a total investment of approximately \$1 billion, the plant will be located in the southwestern side of Kazakhstan. Técnicas Reunidas will first carry out the engineering design under a FEED OBE contract, that will require about 200.000 engineering hours and will be executed at its Madrid office. Once the FEED is completed, TR will execute the full engineering, procurement and construction of the plant through an EPC contract.

Furthermore, the company signed several important contracts in the low carbon technologies segment:

- Development of **Cepsa's** second-generation biofuels plant in Huelva, the largest project of this kind in southern Europe. The total investment of this project will amount to 1 billion euros. Técnicas Reunidas will develop the engineering, and will also manage the procurement and the construction of the plant. TR will assign a team of more than 180 expert professionals and will dedicate some 500,000 hours of highly qualified personnel. With this contract, Técnicas Reunidas strengthens its position in the field of the circular economy. The new plant will use agricultural waste and used cooking oils as feedstock. It will annually produce 500,000 tons of renewable diesel and SAF (sustainable aviation fuel) in a flexible manner to contribute to the decarbonization of air, maritime and land transport. This project is part of the strategy implemented by Técnicas Reunidas to increase the number of service contracts.

- Electrification of two **Repsol** industrial complexes: one in Sines, Portugal and the other one in Tarragona, Spain. The work will reduce energy consumption and carbon emissions at these two large chemical facilities, where TR will replace ethylene and propylene compressor turbines with electric motors. Técnicas Reunidas will develop the detailed engineering, the procurement management and the supply of equipment and materials.
- FEED for the development of a zero-carbon nitrogen fertilizer plant in USA for the fertilizer company **Atlas Agro**. The plant will use TR's proprietary technology for the main process units. Once the FEED is completed, the project is fully sanctioned and financing closed by the client, the EPC would be managed on an Open Book basis. The potential EPC investment would amount to around €1 billion. It will be the world's first full scale zero-carbon nitrogen plant, using only air, water and zero-carbon electricity as raw materials.

Q1 2023 RESULTS

€ million	Q1 2023	Q1 2022	Variation	2022
Net Revenues	1,119.2	772.8	44.8%	4,233.4
Other Revenues	4.2	2.2		14.9
Total Income	1,123.3	775.0		4,248.2
Raw materials and consumables	-859.4	-564.1		-3,352.7
Personnel Costs	-141.4	-124.0		-480.9
Other operating costs	-77.4	-73.8		-380.0
EBITDA	45.2	13.0	246.7%	34.6
Amortisation	-6.3	-5.9		-25.9
EBIT	38.9	7.1	447.3%	8.7
Financial Income / expense	-8.1	-5.3		-27.2
Share in results obtained by associates	-0.3	0.0		-0.1
Profit before tax	30.5	1.7	N.M.	-18.5
Income taxes	-10.1	-0.5		-15.9
Profit for the year from continuing operations	20.4	1.2	N.M.	-34.5
Profit (loss) from discontinued operations	0.0	0.0		0.0
Profit for the year	20.4	1.2	N.M.	-34.5
Non-controlling interests	-0.8	-0.2		-2.6
Profit Attributable to owners of the parent	19.6	1.1	N.M.	-37.1

Revenues

Net revenues reached €1,119.2 million in Q1 2023, with a 45% increase versus Q1 2022. This high growth rate shows the strong recovery of operations, despite the highly volatile scenario initially experienced in the first half of 2022, that affected raw

material prices and workforce availability. The company has progressively moved back to quarterly figures above €1 billion and expects this pre-Covid sales level to be sustained in coming quarters.

The net revenues breakdown is as follows:

€ million	Q1 2023	Weight	2022	Weight
Refining	309.1	27.6%	1,425.9	33.7%
Natural gas	588.6	52.6%	1,632.1	38.6%
Petrochemicals	133.3	11.9%	842.6	19.9%
Low carbon technologies	3.3	0.3%	5.7	0.1%
Other	84.9	7.6%	327.0	7.7%
Net Revenues	1,119.2	100%	4,233.4	100%

- Sales from the **Refining** division reached €309.1 million in Q1 2023. Refining revenues represented 28% of total sales. The most relevant projects in this division that contributed to sales are the refinery expansion for ExxonMobil in Singapore, the modernization of the BAPCO refinery and the Duqm refinery for DRPIC.
- Sales from the **Natural gas** division reached €588.6 million in Q1 2023 and represented 53% of total sales. The most relevant projects in this division that contributed to sales are Marjan and Haradh for Saudi Aramco, North Field package 3 for Qatargas, Dalma for ADNOC and the 4 combined cycles for CFE.
- Sales from the **Petrochemicals** division reached €133.3 million in Q1 2023. Petrochemicals revenues represented 12% of total sales. The most relevant projects in this division that contributed to sales are the petrochemical complexes for Orlen and Sasa, and the ethylene plant for INEOS.
- Sales from the **Low carbon technologies** division reached €3.3 million in Q1 2023.
- Sales from the **Other** division reached €84.9 million in Q1 2023. Its revenues represented 8% of total sales.

Operating and net profit

€ million	Q1 2023	Q1 2022	Variation	2022
Operating profit from divisions	66.5	28.6	132.2%	101.4
Costs not assigned to divisions	-27.6	-21.5		-92.7
EBIT	38.9	7.1	447.3%	8.7
<i>Margin</i>	3.5%	0.9%		0.2%
Net Profit*	20.4	1.2	N.M.	-34.5
<i>Margin</i>	1.8%	0.2%		-0.8%

*Net Profit from continuing operations

Q1 2023 **EBIT** stood at €38.9 million with an **EBIT margin** over sales that improved to 3.5% from the 0.9% margin reported in the same period of last year. This figure also positively compares to the 2.7% level reported in the Q4 2022, highlighting the steady recovery of underlying margins quarter after quarter.

Net profit in Q1 2023 was €20.4, which compares to €1.2 million in the same period of last year.

In addition to the operating income evolution, explained above, net profit also reflects the effect of financial results and taxes:

- Financial expense was €-8.1 million, including €-5.5 million of financial costs and €-2.6 million due to losses from transactions in foreign currency. The €-8.1 million figure includes €1 million of hyperinflation adjustment in Argentina and Turkey (considered as hyperinflation economy since the start of 2022). Without this adjustment, financial expense would have been €-7.1 million.
- Company income tax was a €-10.1 million.

€ million	Q1 2023	Q1 2022	Variation	2022
Net financial Income *	-5.5	-4.9	12%	-29.4
Gains/losses in transactions in foreign currency	-2.6	-0.4	500%	2.3
Financial Income/Expense	-8.1	-5.3	52%	-27.2

* Financial income less financial expenditure

Balance sheet

€ million	31 Mar 2023	31 Mar 2022	31 Dec 2022
Tangible and intangible assets	106.4	114.5	107.8
Investment in associates	1.2	1.6	1.5
Deferred tax assets	422.7	411.1	409.4
Other non-current assets	94.3	86.2	96.7
Non-current Assets	624.6	613.4	615.4
Inventories	7.7	8.5	7.7
Trade and other receivables	3,101.2	2,819.7	3,174.6
Other current assets	62.3	33.1	59.0
Cash and Financial assets	930.8	958.1	959.7
Current assets	4,102.1	3,819.3	4,200.9
TOTAL ASSETS	4,726.7	4,432.7	4,816.4
Equity	106.3	122.4	83.0
Profit Participating Loan (PPL)	175.0	175.0	175.0
Total Equity (Equity + PPL)	281.3	297.4	258.0
Non-current liabilities	612.6	760.8	699.9
Financial Debt	507.2	660.0	600.2
Other non-current liabilities	105.4	100.7	99.7
Long term provisions	82.1	36.3	82.1
Current liabilities	3,750.8	3,338.3	3,776.4
Financial Debt	282.0	237.5	201.9
Trade payable	3,379.9	2,959.9	3,487.5
Other current liabilities	88.9	140.8	87.0
Total liabilities	4,620.4	4,310.3	4,733.3
TOTAL EQUITY AND LIABILITIES	4,726.7	4,432.7	4,816.4

The **net cash position** at the end of Q1 2023 stood at €142 million, that compares with €61 million at the end of Q1 2022. The Q1 2023 figure does not include the proceeds from the recent capital increase and that was closed during the second quarter of 2023.

€ million	31 Mar 2023	31 Mar 2022	31 Dec 2022
Current assets less cash and financial assets	3,171.2	2,861.2	3,241.2
Current liabilities less financial debt	-3,468.7	-3,100.7	-3,574.5
COMMERCIAL WORKING CAPITAL*	-297.5	-239.5	-333.3
Financial assets	0.0	0.0	0.0
Cash and cash equivalents ⁽¹⁾	930.8	958.1	959.7
Financial Debt ⁽²⁾	-789.2	-897.6	-802.1
NET CASH POSITION	141.7	60.5	157.5
NET CASH + COMMERCIAL WORKING CAPITAL	-155.9	-179.0	-175.7

*Calculated as "Current assets less cash and financial assets" - "Current liabilities less financial debt"

⁽¹⁾ Includes PPL

⁽²⁾ Does not include PPL

At the end of March 2023, total equity of the company stood at €281.3 million. This figure includes the €175 million PPL from SEPI but it does not include the effect of the capital increase as it was completed in Q2 2023.

€ million	31 Mar 2023	31 Mar 2022	31 Dec 2022
Shareholders' funds + retained earnings	177.2	189.4	157.9
Treasury stock	-74.8	-72.8	-72.9
Hedging reserve	-7.5	-3.9	-14.2
Interim dividends	0.0	0.0	0.0
Minority Interest	11.4	9.8	12.2
Profit Participating Loan (PPL)	175.0	175.0	175.0
TOTAL EQUITY + PPL	281.3	297.4	258.0

APPENDIX

IFRS 16: Q1 2023 Reconciliation

€ Million	Q1 2023	Impact	Q1 2023 Adjusted IFRS 16
EBITDA	45.2	-5.3	39.9
Depreciation	-6.3	5.1	-1.2
Financial charges	-8.5	0.3	-8.1
Net profit	30.5	0.1	30.6
"Right of use" assets	49.7	-49.7	0.0
Short-term lease liabilities	17.7	-17.7	0.0
Long-term lease liabilities	32.7	-32.7	0.0

Alternative Performance Measures (“APMs”)

1. EBIT^{APM}

Earnings before interest and taxes (EBIT) is an indicator of the Group’s operating result without taking into account financial and tax results. It is used as a complement to EBITDA in comparison with other companies in the sector which have a low amount of assets. EBIT^{APM} is equivalent to “operating profit”.

The table below provides a reconciliation of our revenue to EBIT^{APM}:

€ million	Q1 2023	Q1 2022
Adjusted revenue (unaudited)	1,123.3	775.0
Operating expenses	1,084.4	767.9
EBIT^{APM} (unaudited)	38.9	7.1

2. EBIT Margin^{APM}

EBIT Margin^{APM} corresponds to EBIT^{APM} over revenue. EBIT Margin^{APM} is an indicator of the Group’s operating result without taking into account financial and tax results. The Group uses the EBIT Margin^{APM} as a complement to EBITDA in comparison with other companies in the sector which have a reduced amount of assets.

The table below provides a reconciliation of our revenue to EBIT Margin^{APM}:

€ million	Q1 2023	Q1 2022
EBIT ^{APM}	38.9	7.1
Adjusted revenue (unaudited)	1,123.3	775.0
EBIT Margin^{APM}	3.5%	0.9%

3. Leverage Ratio^{APM}

Leverage Ratio^{APM} is the alternative performance measure used by the management to monitor the Company's financial leverage. It is calculated as borrowings (excluding borrowings associated with rights of use of leased assets and participating loans) divided by equity. Equity is the amount shown in the Financial Statements.

€ million	Q1 2023	Q1 2022
Borrowings	789.2	897.6
Equity	106.3	122.4
Leverage Ratio^{APM} (unaudited)	742.5%	733.4%

4. Net Cash^{APM}

Net cash^{APM} is the alternative performance measure used by the management to measure the Group's level of net liquidity for the purpose of complying with covenants 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' minus 'borrowings' (excluding 'borrowings associated with rights of use of leased assets' and 'participating loans'). Cash and cash equivalents include cash on hand, demand deposits in banks and other highly liquid short-term investments originally maturing within three months or less.

€ million	Q1 2023	Q1 2022
Cash and equivalents	930.8	958.1
Financial assets at fair value	0.0	0.0
Borrowings	789.2	897.6
Net cash^{APM} (unaudited)	141.7	60.5

Net cash^{APM} (unaudited) as cash and cash equivalents, plus financial assets at fair value, less borrowings

5. Average Variable Interest Rate^{APM}

Average Variable Interest Rate^{APM} is the result of multiplying on a weighted basis interest rate, the margin over EURIBOR associated with each financing instrument (whether bonds or bank financing) by the total contracted amount of such instruments, dividing the resulting amount by the total sum of the contracted amount of all financing instruments. The Group uses the Average Variable Interest Rate^{APM} as an indicator of the Group's average cost of its variable debt.

As of March 31, 2023, the Group's Average Variable Interest Rate^{APM} was 2.206% (2.19% as of December 31, 2022 and 1.97% as of December 31, 2021).

6. Backlog^{APM}

Backlog^{APM} is calculated by the Group as the estimated amount of contracted revenue that the Group expects will result in future revenue from existing contracts adjusted to reflect (i) changes in the scope of the contract as a result of change orders agreed with the client in projects developed under a Lump Sum Turnkey Contract (as defined herein) or estimation adjustments in projects developed under a Front End Engineering Design and Open Book Estimate scheme in which the Group carries out a detailed analysis of the project, from the definition of the main processes and identification and selection of technologies to the definition and dimension of the auxiliary services and logistical needs of the plant, and (ii) fluctuations in the exchange rate of currencies other than the euro applicable to the projects. The Backlog^{APM} 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 has not yet been determined. In this case the Group makes a downward revenue estimation and includes it as an item in the Backlog^{APM}. See "Business—Backlog^{APM} and Pipeline".

The Group considers its Backlog^{APM} a relevant indicator of the pace of development of its activities and monitors it to plan for its needs and to adjust its expectations, financial budgets and forecasts. The volume and timing of work execution in the Group's Backlog^{APM} are relevant for the purpose of anticipating the Group's operational and financing needs and its ability to execute its Backlog^{APM} is dependent on its ability to meet such operational and financing needs. See "Business—Backlog(APM) and Pipeline".

On the foregoing basis, the Backlog^{APM} as of March 31, 2023 amounts to €9,728.4 million and the Backlog^{APM} as of March 31, 2022 amounted to €10,378.2 million (€9,514.8 million as of December 31, 2022). YTD backlog, that includes awards already secured since the beginning of 2023, reached €10,198.4 billion.

Disclaimer

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This document also contains, in addition to the financial information prepared in accordance with International Financial Reporting Standards (“IFRS”) and derived from our financial statements, alternative performance measures (“APMs”) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (ESMA/2015/1415en) and other non-IFRS measures (“Non-IFRS Measures”). These financial measures that qualify as APMs and non-IFRS measures have been calculated with information from the Company; however those financial measures are not defined or detailed in the applicable financial reporting framework nor have been audited or reviewed by our auditors.

The Company uses these APMs and non-IFRS measures when planning, monitoring and evaluating its performance. The Company considers these APMs and non-IFRS measures to be useful metrics for its management and investors to compare financial measure of historical or future financial performance, financial position, or cash flows. Nonetheless, these APMs and non-IFRS measures should be considered supplemental information to, and are not meant to substitute IFRS measures. Furthermore, companies in the Company’s industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes.

For further details on APMs and Non-IFRS Measures, including its definition and explanation, please see the section on “Alternative performance measures” (page

116 et seq.) of the integrated annual report for the fiscal year ended in 31 December 2022 of the Company, published on 28th February 2023. Additionally, for further details on the calculation and reconciliation between APMs and Non-IFRS Measures and any applicable management indicators and the financial data of the three-month period ended 31 March 2023 please see the section on “Alternative performance measures” of Q1 2023 results report document, published on 12th May 2023. All the documents are available on the Company’s website (www.tecnicasreunidas.es).